Unemployment Insurance Review

July 1964

In this issue . . .

Federal UC and Training Allowance Programs

ARA and MDTA Training Allowances

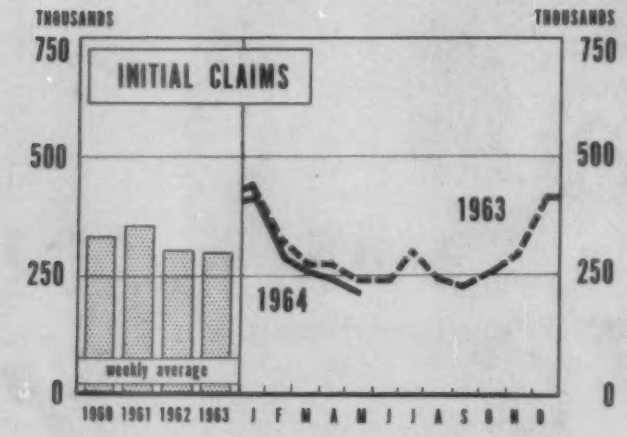
UCFE and UCX Benefit Payments

The Federal Programs Supervisor in California

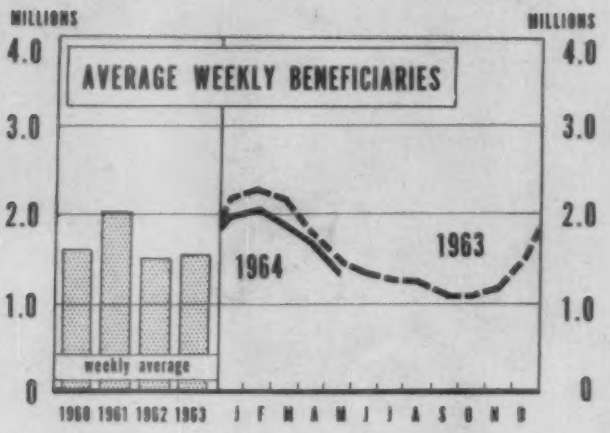
UNITED STATES DEPARTMENT OF LABOR MANPOWER ADMINISTRATION

UNEMPLOYMENT INSURANCE ACTIVITIES

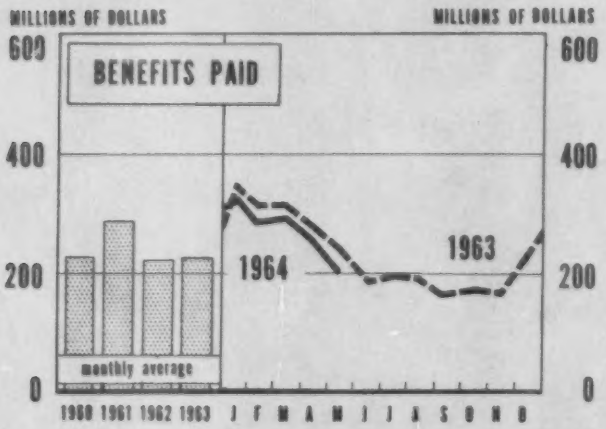
Under State Programs



Unemployed workers filing initial claims under State programs in May averaged 217,800 per week—down by 12 percent from April and about 9 percent under the year-ago volume.



A weekly average of 1.3 million beneficiaries received payments under regular State unemployment insurance programs in May—a 20 percent decrease from April and 8 percent below the May 1963 average.



Some $201 million in benefits was paid during May to insured jobless workers under regular State unemployment insurance programs, compared with $258 million in April and $236 million in May 1963.

Unemployment Insurance Review

July 1964
Vol. 1 No. 7

U.S. DEPARTMENT OF LABOR
W. Willard Wirtz, Secretary

MANPOWER ADMINISTRATION
John C. Donovan, Administrator

BUREAU OF EMPLOYMENT SECURITY
Robert C. Goodwin, Administrator

UNEMPLOYMENT INSURANCE SERVICE
William U. Norwood, Jr., Director

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The UIS Director Comments

The Federal-State unemployment insurance system has always been unique because of a relationship under which the Federal Government exercises a limited degree of control and allocates the funds for administration, while the States have the direct responsibility for establishing and operating their own unemployment insurance programs. The advent of the Federal programs added another dimension to this relationship which has made it even more complex.

Over the years, Congress has enacted 12 different Federal unemployment benefit or training allowance programs; 6 are in existence today. All but one have involved a close relationship between the Federal Government and the State employment security agencies. Those not now in operation are: Servicemen's Readjustment Allowances, Readjustment Unemployment Benefits for Seamen, Unemployment Compensation for Veterans, Temporary Unemployment Compensation, and Temporary Extended Unemployment Compensation. The Federal program not directly involving the State agencies is Railroad Retirement Unemployment Insurance. The remaining programs are—to use their initials—UCFE, UCX, ARA, MDTA, and TRA.

In the early days of the unemployment insurance system, the Federal Government's most active role in day-to-day administration of the program was probably that of a technical guide and adviser to the State employment security agencies. We were always mindful that State agencies were carrying out their own laws passed by their State legislatures. The new programs, however, have given the Bureau of Employment Security a novel and direct role that cannot be described simply.

Since Federal programs are involved, the Bureau is responsible to Congress and to United States citizens for their success or failure, just as State agencies are responsible to State legislatures and to citizens of their States. But here the analogy breaks down. The UCFE and UCX programs, except for a very limited number of Federal requirements, are carried out in accordance with State laws. (This very fact makes it necessary to assure that Federal claimants are treated similarly to State claimants.) In the training allowance programs under MDTA and ARA and Trade Readjustment Allowances under the Trade Expansion Act, however, the eligibility and other rules are essentially Federal—they are not counterparts of the UCFE and UCX programs.

The laws that set up these Federal programs all say that the State is "an agent of the United States," thus creating a new Federal-State legal relationship—that of principal and agent. This relationship is somewhat unusual since the principal and the agent have been and are engaged in a limited "partnership" in the regular unemployment insurance program. Perhaps it is for this very reason that the Federal programs place so much authority and reliance on the State agent. The UCFE–UCX provision entrusting review of determinations wholly to State adjudication systems is a good example of this reliance and authority. By so designating the States as agents of the United States, the Congress has set up a relationship of trust—underlining its confidence in the State employment security agencies and their capacity to operate these programs effectively.

It is not inconsistent with that trust but, instead, an inevitable result of the programs' Federal character, that the Congress made the Secretary of Labor responsible for their overall direction and holds the Department of Labor and, specifically, the BES, accountable for their administration. Consequently, the BES has a continuing need to know how effectively these programs are operating. Acquired information gives a basis for proposing corrections in operation when necessary, and for reporting to the Congress on the state of the programs and for recommending and instituting changes in overall directions, when these are shown to be appropriate.

Among results of BES participation in the Federal programs, one in particular is worth noting. Since the effectiveness of a Federal benefit program in a State cannot be expected to vary materially from that of a State's unemployment insurance program, the Federal programs underscore the identical interest of the BES and the States in an effective unemployment insurance program everywhere. The BES and the States share the same concerns with the problems of legislation and policy, and also with the day-to-day problems of sound and efficient operation.

Federal Unemployment Compensation and Training Allowance Programs

This issue of the Review *features programs of unemployment compensation for Federal civilian employees and ex-servicemen, as well as the administration of allowances paid to persons being trained under provisions of the Area Redevelopment Act and the Manpower Development and Training Act.*

Federal UC and Training Allowance Programs

*William A. Murphy**

FEDERAL unemployment compensation and training allowance programs established through acts of the Congress include unemployment compensation for Federal civilian employees (UCFE) and ex-servicemen (UCX) and allowances to workers unemployed because of expanded trade with other countries (TRA), as well as the provision of training allowances under the Area Redevelopment Act (ARA) and the Manpower Development and Training Act (MDTA).

The Federal law assigns to the United States Secretary of Labor authority and responsibility for administering the UCFE, UCX, and TRA programs and the training allowance functions under the ARA and MDTA programs. The Secretary has entered into agreements with the States so that each State acts as an agent of the Federal Government in carrying out these programs at the State level through its employment security agency. Authority to administer the programs at the national level, and to prepare appropriate procedures, has been placed in the Bureau of Employment Security and is carried out through its Unemployment Insurance Service.

Funds for benefit payments under these programs—to unemployed Federal workers and ex-servicemen, and to trainees—are appropriated by the Congress from the general revenues. The Secretary of Labor is responsible for assuring that these funds, which are allotted to the States by transfer from the U.S. Treasury, are spent in accordance with the purposes specified in the Federal laws establishing the programs, the Federal appropriation acts, and the U.S. Labor Department's regulations implementing the laws.[1]

The Federal UC Programs

Unemployment compensation for Federal employees (UCFE).—The Federal-State unemployment compensation program was first established by enactment of the Social Security Act in 1935 and the related enactment of State unemployment insurance laws. Except for temporary programs, there was no major extension of unemployment insurance coverage until January 1, 1955, when title XV was added to the Social Security Act. Title XV provides that unemployment benefits be paid to unemployed Federal employees in the same amounts and generally under the same eligibility conditions as those applicable to insured workers covered by State unemployment insurance laws.

The Federal law also provides, however, that Federal agency findings are final and conclusive as to whether the claimant did perform Federal civilian employment, the period of such employment, the amount of wages paid, and the reasons for terminating employment. Thus, because of

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[1] State unemployment insurance programs, established through laws passed by the legislatures of individual States, cover workers in private industry, and are financed from individual employer taxes.

these four matters covered by the finality provision of the Federal law, workers claiming UCFE benefits experience different treatment than do workers claiming benefits under State UI laws. That is, a UCFE claimant cannot rebut a Federal agency's findings as to his loss of employment in the same manner as a State claimant may contest a private employer's statements. The UCFE claimant may ask only that the Federal agency reconsider its findings. However, he has the right to appeal the State agency's application of its law to the Federal agency's findings.

Thirteen categories of employees, including elected officials and foreign service personnel of the State Department, are excluded from UCFE coverage by title XV. Section 1505 of title XV, which precluded the payment of UCFE benefits to any claimant during a period of terminal leave, was repealed in 1960. Since then, Federal employees who receive terminal leave payments are treated in the same manner as private industry employees who receive equivalent payments, in accordance with the provisions of each State's unemployment insurance law. Also, in 1960, UCFE protection was extended to employees of instrumentalities *partially owned* by the Federal Government, such as Federal Intermediate Credit Banks and Production Credit Associations in which the Federal Government owns capital stock. Examples of instrumentalities *wholly owned* by the U.S. Government are the Panama Canal Company and the Tennessee Valley Authority (TVA).

Some 2.6 million Federal civilian workers, including about 98,000 nonappropriated fund activity employees, are covered by the UCFE program. (Nonappropriated fund activities include Army Post Exchanges and similar type operations.) For the fiscal year ending June 30, 1964, it is estimated that some $60.9 million in UCFE benefits was paid to 93,000 unemployed Federal civilian workers.

Unemployment compensation for ex-servicemen (UCX).—A permanent program of unemployment compensation for ex-servicemen was established in 1958 (effective on October 27) by adding a new section (1511) to title XV of the Social Security Act. Prior to this time, there had been temporary programs providing unemployment insurance protection to veterans of World War II and of the Korean conflict. The servicemen's readjustment allowance program (1944–50) provided for benefits of $20 for each week of unemployment up to 52 weeks. The program of unemployment compensation for veterans (1952–60) provided UCV benefits of $26 a week, up to 26 weeks (or a maximum of $676). UCX was the first permanent program, however, to provide unemployment insurance protection for all ex-servicemen, veterans and nonveterans, while they were adjusting to civilian life and to civilian jobs.

The UCX program more nearly resembles UCFE than UCV in that the Federal UCX legislation does not provide for specific rates of benefits. Rather, it provides that UCX benefits are payable in the same amounts and generally under the same eligibility conditions applicable to insured workers covered by State unemployment insurance laws. However, to be entitled to UCX benefits under a State law, an ex-serviceman must have had a period of active military service totaling at least 90 days (unless the duration of the service period was less than 90 days due to his separation because of a service-incurred injury or disability); he must have been separated under conditions other than dishonorable, he must not have received a bad conduct discharge, and, if an officer, he must not have resigned for the good of the service.

Ex-servicemen are not eligible for UCX benefits while receiving certain education, training, subsistence, or war orphans' educational assistance allowances under programs administered by the U S. Veterans Administration. They are also not eligible to receive UCX benefits in the period following separation to which lump-sum payments for military accrued leave are allocated so long as the prorated weekly amount of leave payments equals or exceeds the weekly UCX benefits otherwise payable. To determine an ex-serviceman's UCX "wages," title XV of the Social Security Act provides that the Secretary of Labor, in consultation with the Secretary of Defense, shall establish a schedule of remuneration based on military pay, allowances, and certain nonmonetary considerations (e.g., medical services). The original 1958 schedule was later revised, for "first claims" filed on or after December 1, 1963, in order to reflect a military pay raise. The revised schedule is divided into two parts—for ex-servicemen with total military service, creditable for basic pay purposes, of (a) 2 years or less, and (b) more than 2 years.

Some 2.7 million military personnel in the Armed Forces are covered by the UCX program.

For the fiscal year ending June 30, 1964, some $90.9 million in UCX benefits has been paid to more than 210,000 ex-servicemen.

Trade Expansion Act of 1962.—The Trade Expansion Act of 1962 (effective on October 11) authorizes the President to adjust U.S. tariff rates on various commodities, as a result of trade arrangements with foreign nations, the European Economic Community, or other appropriate regional or international organizations. It further provides for the granting of financial and other adjustment assistance to affected industries in this country, and for the payment of trade readjustment, relocation, subsistence, and transportation allowances to workers adversely affected by trade arrangements permitted under the Act. After the U.S. Tariff Commission, the Office of the President, and the U.S. Secretary of Labor have made certain findings of adverse effect, State employment security agencies, acting as agents of the Federal Government in accordance with agreements made by the States with the U.S. Secretary of Labor, would pay such allowances to adversely affected workers. The allowances are to be paid from Federal funds appropriated by Congress. To date, 16 petitions for adverse effect "rulings" have been submitted to the U.S. Tariff Commission (8 industry, 3 firm, and 5 groups of workers). Three industry petitions are still pending; the remainder have been denied.

Trade readjustment allowances (TRA) generally are to be payable up to 52 weeks at a weekly rate equal to 65 percent of either: (a) The individual worker's average weekly wage; or (b) the average weekly manufacturing wages, whichever is less. Adversely affected workers who are 60 years of age or older when separated would be entitled to receive an *additional* 13 weeks (or a total of 65 weeks of allowances). Adversely affected workers who are participating in certain types of training during the 52d week would be entitled to receive an *additional* 26 weeks (or a total of 78 weeks of allowances) if they remain in such training, and continue to make satisfactory progress in this training during the 26-week additional period. No individual, however, would be entitled to receive both; 26 *additional* weeks being the maximum payable.

To be entitled to TRA, the adversely affected worker must have had a substantial amount of employment in a recent period. Under certain circumstances, a worker would be entitled to receive a relocation allowance to cover the expense of moving the worker, his family, and their household effects to the location of his new job. Subsistence and transportation allowances are to be paid to trainees under this program in the same amounts and under the same conditions as are applicable to MDTA trainees.

Federal Training Allowance Programs

Two Federal training allowance programs—under the Area Redevelopment Act and the Manpower Development and Training Act—are administered at the State level by the State employment security agencies acting as agents of the Federal Government in the same manner as they do for the Federal unemployment compensation programs.

Area Redevelopment Act (ARA).—Despite the general upturn in the Nation's economy during the mid-1958 through mid-1960 period, there remained "pockets" of high-level unemployment in localities sometimes referred to as "depressed" or "distressed" areas. The 1960–61 recession aggravated this problem and led to the Area Redevelopment Act, signed by the President on May 1, 1961. ARA allowance payments begin in December 1961. Under the ARA program, retraining allowances are payable to qualified workers who are participating in approved training courses in re-

MDTA trainees receiving instruction in the repair of office machines.

Washington Post photo.

Jean Brown Hamilton (right), one of the first practical nurses to be graduated under the Manpower Development and Training Program for the District of Columbia, is shown with Mrs. W. Willard Wirtz (left), who gave the commencement address, and Barbara Bolling, Chairman of the D.C. MDTP. All of the 13 trainees who graduated were placed in employment.

development areas. The retraining allowances are payable up to 16 weeks. The weekly rate in a specific State is equal to the average weekly unemployment insurance payment in that State, as computed for a calendar-year period.

Manpower Development and Training Act (MDTA).—Many State unemployment insurance laws preclude payment of unemployment benefits to persons undergoing vocational training, since they are considered to be unavailable for work during such training period. However, there is a definite need, because of automation and other factors, for workers to upgrade their skills or to acquire new skills. Otherwise, once unemployed, there is a likelihood that such workers will remain unemployed for long periods of time. In fact, in some cases, older workers with few salable skills may never regain full employment before their retirement from the labor force. This situation, coupled with the precedent of the Area Redevelopment Act, led to the Manpower Development and Training Act, which was approved on March 15, 1962; MDTA allowance payments began in July 1962.

Under the MDTA program, training, subsistence, and transportation allowances are payable to qualified trainees who are participating in approved vocational or on-the-job training. Such training allowances are payable up to 52 weeks, plus an additional 20 weeks for basic educational training (or a total of 72 weeks), at a weekly rate in a particular State (except for youth) equal to to average weekly unemployment insurance payment in that State as computed for a calendar quarter. However, a trainee who is also entitled to a higher unemployment insurance payment may continue to receive such payment, if permitted by a State's unemployment insurance law, or he may receive an increased training allowance equal to such higher UI payment.

The act further provides that a weekly youth training allowance may not exceed $20; in March 1963, the weekly youth allowance was limited in a particular State to one-half (not to exceed $20) of the *regular* weekly training allowance in the State (rounded to the next higher dollar). For a trainee to be entitled to subsistence and transportation allowances under MDTA, the training must be given at locations outside the determined commuting area of the trainee's regular place of residence. Subsistence is payable up to $5 per day; transportation, up to 10 cents a mile.

Coordination of Programs

UCFE liaison.—To coordinate the UCFE program operations of the State employment security agencies and the various Federal agencies, a UCFE liaison officer has been designated in every Federal Government department, agency, and instrumentality. His duties are to ensure that the appropriate employees in his agency's headquarters and field installations, especially payroll and personnel office staff, are familiar with, and properly administer, their responsibilities regarding the UCFE program. He serves also as a communications link between his agency and the Unemployment Insurance Service of the Bureau of Employment Security.

To assist liaison officers and Federal agency personnel in meeting their UCFE program responsibilities, the Bureau developed *UCFE Instructions for Federal Agencies.* Agencies have adopted use of the *Instructions* as written, or have adapted them into the agency's own procedural format, to guide Federal payroll and personnel office staff in carrying out their UCFE program responsibilities. These include issuing

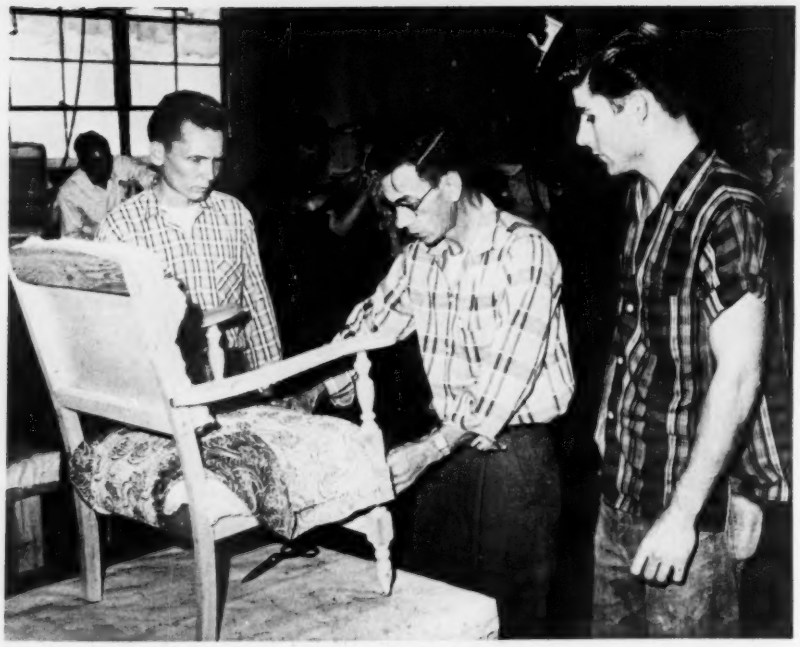
MDTA trainees receiving instruction in an auto mechanics class in Chicago, Ill.

notices to Federal employees terminating from U.S. Government employment; completing requests for a former employee's wage and separation information, for additional data and reconsideration of the original information furnished, and for vertification of this material on a sample basis; and related UCFE program activities.

To evaluate how UCFE program responsibilities are being carried out, the BES has developed a visit report form to be used by a State employment security agency representative when he visits a Federal installation. All State agencies have been urged to conduct an appropriate visiting program. All visit reports are reviewed at the national office of the Bureau, and significant inadequacies are called to the attention of the appropriate Federal agency's UCFE liaison officer.

Training is a third important area in coordinating Federal UI programs. During the 1961–63 period, the Bureau's national office conducted 35 UCFE training meetings in 19 different States and the District of Columbia for Federal payroll and personnel officers, Bureau regional office representatives, and State agency personnel with respect to a Federal agency's UCFE program responsibilities. Similar training meetings have been conducted also by Bureau regional offices and by State agencies.

UCX liaison.—To carry out the UCX program, a cooperative relationship has been established between the Unemployment Insurance Service of the BES and liaison officers in the Department of Defense (Army, Navy, Air Force, and Marine Corps), the Coast Guard, and the U.S. Veterans Administration. Each of the military services issues a properly completed separation form (DD–214, Armed Forces of the U.S. Report of Transfer or Discharge) to each serviceman upon his separa-



Most of the trainees who complete this training course for upholsterers will be placed in nearby furniture plants.

tion from any period of active military service of 90 days or more. If a UCX claimant has not received a Form DD–214 or has lost it, or if the form does not contain the complete information needed to process his UCX claim (such as the number of days of accrued military leave for which he received a lump-sum payment), the State agency will assist him, at his request, to obtain the form or the necessary information. If the specific military service does not reply within a reasonable time period (a rare occurrence), the request is sent to the Bureau's national office to obtain the form or the information necessary to process the claim.

When an ex-serviceman has a questionable discharge, it must be adjudicated by the U.S. Veterans Administration before a UCX claim is processed. In these cases, the State agency sends a form requesting military information to the appropriate VA regional office. If there is no reply after a reasonable time period, a followup request is sent and, if there is still no reply, the request is sent to a Bureau regional office, and, if necessary, to the Bureau's national office to clarify any doubts about the claimant's eligibility for UCX benefits.

As another step in developing and maintaining cooperation in the operation of the UCX program, State agency representatives make visits to the adjudication officers at VA regional offices when the nature of a problem indicates that such a visit would be helpful. Similarly, visits to military separation activities are made to assure proper issuance of separation Form DD–214 and that military separatees are advised orally and in writing of their right to file UCX claims if unemployed.

Evaluation of Federal UC and Training Allowance Programs

Evaluation of the Federal unemployment compensation programs and of the ARA and MDTA training allowance programs involves a sytematic review of State agency practices in administering these programs. Toward this end, and to assist the State agencies in evaluating local office operations, the Bureau's UI Service developed evaluation outlines—one for the UCFE–UCX and another for the ARA–MDTA training allowance programs. In addition, the Bureau's national and regional offices presently conduct evaluations of MDTA–ARA allowance programs on a periodic basis in all States. UCFE–UCX evaluations are conducted annually in each State and are followed by an interim, or abbreviated, evaluation approximately 6 months later. The BES Office of Federal UI Programs and Training Allowances conducts these annual evaluations in about one-half of the States each year. The remaining State

agencies conduct their own annual evaluations assisted by the regional offices.

After the Bureau's national office has conducted an evaluation, a report of findings and recommendations to improve operations, including a completed evaluation outline and accompanying analysis forms, are sent to the State agency by way of the regional office. In the case of a State agency UCFE–UCX self-evaluation, a report of findings as well as completed outlines and corresponding analysis sheets are sent through the regional office to the national office of the Bureau for review, comment, and recommendations.

Recent evaluation developments have included the preparation of material for conducting comprehensive studies in State agencies, as necessary, of causes contributing to excessive time lapse for UCFE intrastate first payments, and for conducting validation studies in State agencies of administrative time charges to UCFE–UCX program operations.

Conclusion

Experience with the UCFE–UCX and training allowance programs points to a number of administrative problems:

1. A Federal agency's reason for an employee's separation from Federal employment must be accepted, with respect to a UCFE claim, by the State employment security agency in applying such reason to its State unemployment insurance law, under the "finality of Federal findings" provision of title XV of the Social Security Act. On the other hand, an unemployed private-industry worker claiming benefits under the State unemployment insurance law may rebut the private employer's statement as to the reason for the worker's separation from his job. The difference in treatment of former Federal employees and former private-industry employees presents administrative problems and raises questions with respect to the principle of "fair hearings."

2. "Rules" differ for the assignment of UCFE wages and UCX wages. Federal *civilian* wages are assigned generally to the State in which the Federal worker's "official station" for Federal employment purposes was located, as indicated on his separation documents, regardless as to whether his claim for UCFE benefits results in establishing a benefit year under the State unemployment insurance law. Federal *military* wages are assigned to the State in which the UCX claimant first files a claim for unemployment benefits after separation from his most recent period of active military service but *only* if such claim results in establishing a benefit year under the State unemployment insurance law, whether or not UCX wages are used in determining benefits. The administrative problems become increasingly difficult when a claimant has both Federal civilian and military wages in his base period.

3. The lump-sum payment for unused annual leave related to Federal *civilian* employment is treated differently, under Federal law, from the lump-sum payment for unused *military* leave, with respect to UCFE and UCX benefits. UCX benefits may not be paid during the military accrued leave period. UCFE benefits may or may not be paid during the terminal leave period, depending on the provisions of the State unemployment insurance law.

4. To date, UCFE–UCX benefit payments may not be paid from the next fiscal year's appropriation even if such payments are being suspended while a supplemental appropriation request is pending. This presents not only the problem of suspending benefits while the supplemental appropriation request is acted upon but also requires that available benefit funds be allocated to States for very short periods of time, such as weekly, thus substantially increasing administrative costs.

5. ARA weekly retraining allowance rates are recomputed for each State only once a year; by March 1965, the rates will still be based on calendar year 1963 State unemployment insurance payment data. MDTA weekly training allowance rates are recomputed for each State for every calendar quarter, based on unemployment insurance payment data for the latest quarter for which such data are available. This process causes seasonal fluctuations in the MDTA rates, and it is sometimes difficult to explain to an MDTA trainee why his benefits are being reduced for a given quarter. Such quarterly fluctuation is not experienced by ARA trainees.

6. Benefit overpayments (fraudulent and nonfraudulent) may not be offset as between all Federal unemployment compensation and training allowance programs, or as between any such programs and State unemployment compensation. This allows individuals overpaid in one program to draw benefits under another program without penalty.

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Graduates from shoe repair courses earn starting wages of around $1.50 an hour.

Graduates of the MDTA training course for practical nurse will take care of the sick under direction of a doctor or registered nurse.

Training for dental technician.

ARA and MDTA Training Allowances

*Walter T. Niziol**

A RELATIVELY large amount of unemployment that persists despite unprecedentedly high national levels of economic activity is one of the most difficult problems confronting our Nation. Much has been said and written about the problem, particularly about the impact of technological change and automation. Government, industry, and labor have joined forces in recent years to set up new or expand existing programs to help adult workers prepare for new or different occupations and youths for their entry into jobs for which there is a demand in the labor market.

The Congress, in enacting the Area Redevelopment Act (ARA) of 1961 and the Manpower Development and Training Act (MDTA) of 1962, recognized that persons who are unemployed or underemployed, in order to become qualified for reemployment or full employment, need assistance in acquiring skills which are or will be in demand. These acts provide such assistance in the form of basic educational, prevocational, and vocational training and retraining. Vocational training may be institutional or on-the-job training or a combination of the two. A major part of the investment in the institutional training programs authorized under ARA and MDTA is the payment of allowances to trainees.

ARA

In some respects, training provided under the ARA constituted the pilot program for the much broader MDTA program. The two acts, however, are separate and distinct in their provisions. The two programs follow quite different avenues of approach with respect to the worker groups who are to be trained and in the types and amounts of allowances paid to trainees while they are learning new skills. In less than 3 years, more than 26,000 persons have been referred to training programs under ARA and almost $6 million has been paid to trainees in retraining subsistence payments. In less than 2 years of operation under MDTA, more than 92,000 persons have been referred to training programs and more than $32 million in allowances has been paid to 61,500 trainees.

Under the ARA program for retraining, eligibility conditions for subsistence payments are few but the duration of payments is limited to 16 weeks. Persons are entitled to retraining payments only if, at the time of their selection and referral to training under the act, they have resided for 6 months in a designated redevelopment area. There are no further eligibility requirements for an unemployed person to receive training allowances under the act, but his attendance record and progress in the training must be satisfactory for the week for which he requests a retraining payment.

The amount of a retraining allowance under ARA remains relatively stable during the training period, and is affected to a limited extent by part-time employment of the trainee. For each of the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands, the weekly retraining payment amount is computed annually. It is equal to the average weekly unemployment insurance benefit paid (under the unemployment compensation law of each jurisdiction) during a calendar

Training under MDTA for stenographers usually lasts from 26 to 38 weeks.

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Photo by *Missouri Farmer.*

An instructor examines the work of a trainee.

year for a week of total unemployment, rounded to the next higher even dollar. All trainees in a given State who are eligible under ARA receive the same weekly retraining payment amount, subject to earnings in part-time employment. The retraining payment is reduced by the amount that earnings in part-time employment exceed 50 percent of the amount of the retraining payment. Earnings up to 50 percent of the amount of the retraining payment are ignored.

The simplicity of eligibility requirements for ARA retraining payments has resulted in few administrative problems, and few issues have arisen among the State agencies administering the act, the training facilities, and the trainees. In over 2½ years of the program, fewer than 50 appeals have been filed from determinations reducing the amount of, or denying, requested retraining payments. The law provides for only one level of appeal.

MDTA

The MDTA program is not confined to redevelopment areas, and trainee allowances are more liberal than those under ARA. MDTA training is provided in the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

While the ARA program provides for retraining payments in the same amount to all qualified trainees in a State, the MDTA program provides for allowances in different amounts and for different purposes to trainees. Because of the different eligibility requirements for the several types of MDTA allowances, trainees may qualify for varying types and amounts of allowances during training. Others may not qualify for any allowances and must find their own means of support while in training under MDTA.

Three main categories of weekly allowances are afforded to those in training under MDTA. These are referred to as training allowances, subsistence allowances, and transporation allowances.

Training allowances.—Generally, training allowances are authorized to be paid to heads of families or heads of households as defined in the Internal Revenue Code of 1954. In addition, the trainee must have had 2 years of experience in gainful employment. The 1963 amendments generally permit training allowances to be paid also to another member of a household if the head thereof is unemployed. The member of the household must have had the requisite 2 years of employment. Training allowances, not to exceed $20 per week, are provided for "disadvantaged" youth who are 17 through 21 years of age. Eligibility conditions include the youth's education, elapsed time since he left school, and other factors. The number of youth receiving these allowances is limited to 25 percent of the total number of individuals receiving training allowances under the act.

Training allowances, other than those payable to youth, may vary according to the trainee's circumstances. The amount of a regular training allowance payable to an adult trainee is based, as under the ARA program, upon the average weekly amount of unemployment compensation paid in a State for a week of total unemployment. These amounts are computed each calendar quarter and, because of seasonal factors, will vary in some States by as much as $5 or $6 from one calendar quarter to the next. The regular training allowance may be augmented by as much as $10 under the 1963 amendments to the act, depending upon the number of dependents in the trainee's household or the duration of the training program.

For those trainees who have entitlement under a State or Federal unemployment compensation law, the amount of their weekly training allowance is equal to the weekly UC payment if the UC payment is greater than the regular training

Meat cutting is one of the many skills learned under MDTA.

allowance payable in the State. The number of weeks of training for which any individual may receive training allowances is limited to 52 weeks, except that, under the 1963 amendments, he may receive up to 20 additional weeks of allowances for basic educational training.

Subsistence and transportation allowances.— Allowances are provided to defray the cost of transportation to and from the training facility and to pay for the separate maintenance of a trainee if he is in training outside the commuting area of his regular place of residence. Transportation allowances are based on actual cost by the most economical public transportation, but may not exceed 10 cents per mile. Subsistence allowances must not exceed $5 for each day that the trainee is away overnight while in training.

Administration of Training Allowances

The Secretary of Labor has assigned to the Federal-State employment security system many of the functions with which he is charged under the Area Redevelopment Act and the Manpower Development and Training Act. Among the responsibilities delegated to the employment security system are those providing for the payment of training, subsistence, and transportation allowances. State employment security agencies act as agents of the Secretary of Labor and have been charged with certain functions in accordance with agreements entered into with the Secretary.

Within the Department of Labor, the Secretary of Labor has delegated overall responsibility for MDTA and ARA programs to the Manpower Administrator. Operating responsibilities for the payment of various allowances provided for trainees under the acts have been delegated to the Bureau of Employment Security, and in turn, to its Unemployment Insurance Service.

The various State agencies are guided in the operation of these ARA and MDTA programs by the Secretary's regulations and procedures developed by the Bureau of Employment Security. Shortly after the laws were enacted, Bureau-sponsored training meetings were held for key State agency and Bureau regional office personnel. During these meetings the laws, regulations, recommended procedures, and forms were explained in detail. As State agencies adapted the recommended procedures and forms into their regular procedures, their operations were reviewed and suggestions were made to enable the agency to conform to Bureau recommendations, and to insure the most economical and effective operation consistent with the purposes of the acts.

The UI Service assists the State agencies in the operations of the training payments programs through evaluations conducted by either national office or regional office staff, in conjunction with staffs of the State agencies. These evaluations appraise the effectiveness of agency procedures and the training of its operating personnel. Reports submitted to administrators of the State agencies call attention to any inadequacies noted and suggest methods for improving operations. As a result of the cooperative relationship established, a high degree of effectiveness and consistency among the State agencies has been achieved.

Conclusion

The administration of allowance payments to persons in training under the ARA and MDTA

programs is an integral part of each of these programs. The success or failure of the ARA and MDTA to meet the challenge of upgrading workers' skills for today's labor market in an efficient and practical manner depends, in part, on the payment of allowances and the manner in which these allowance programs are administered.

These allowances are, in a very real way, an investment in the future of the Nation. An individual without a marketable skill today may have to depend upon the unemployment compensation program or upon the support of relatives, friends, or the community where he lives. Generally, through no fault or direct action of his own, he finds himself a consumer and not a contributor to the economy of his State and the Nation. When he is enabled to resume the role of contributor, he soon repays with interest the investment made through a Federal training program. Without such training, he can expect to be a marginal contributor to the economy, at best. At the worst, he may become a burden to those around him, his community, his State, and his country. The American worker has a stake in these training programs which offer so much in ultimate results.

UCFE and UCX Benefit Payments

*John A. Levee and Reginald Tumbleson**

A PROGRAM of unemployment compensation for Federal employees (UCFE) was initiated on January 1, 1955, under title XV of the Social Security Act. About $29 million in benefits was paid out to unemployed Federal civilian workers during each of the first 2 calendar years of operation. Beginning on October 27, 1958, title XV activities were expanded to include a second program, unemployment compensation for ex-servicemen (UCX). In calendar year 1963, almost $152 million was paid to claimants under the two programs. Total benefits paid to UCFE and UCX claimants since the programs began have amounted to more than $881 million. Calendar year payments for the 9 years 1955–63 are shown in the accompanying table.

Calendar year	Title XV benefit payments		
	UCFE	UCX	Total (UCFE-UCX)
Total	$431, 621, 356	$449, 869, 525	$881, 490, 881
1955	28, 950, 970	----------	28, 950, 970
1956	28, 585, 353	----------	28, 585, 353
1957	32, 571, 684	----------	32, 571, 684
1958	61, 942, 063	7, 028, 386	68, 970, 449
1959	51, 259, 825	79, 564, 987	130, 824, 812
1960	55, 732, 513	84, 261, 486	139, 993, 999
1961	58, 818, 834	107, 456, 586	166, 275, 420
1962	53, 744, 876	79, 740, 785	133, 485, 661
1963	60, 015, 238	91, 817, 295	151, 832, 533

For calendar years 1955–57, UCFE benefit payments varied from a low of about $28.6 million to a high of almost $32.6 million. After 1957, the annual level of UCFE benefits ranged from a high of more than $61.9 million (1958) to a low of less than $51.3 million (1959). The figures for 1958–63 average almost double the annual amounts for years prior to 1958. The first upsurge in benefits occurred during the 1958 business recession, and, while the 1958 figure has not been equaled in any subsequent year, annual totals have not been as low as the 1955–57 levels.

Since 1955, the movement of title XV benefit payments has been about the same as that for State unemployment insurance benefit payments for the Nation as a whole. State UI benefits (U.S. total) varied from $1.4 billion to $1.7 billion for calendar years 1955–57. After 1957, State UI benefit totals ranged from a high of over $3.5 billion in 1958 to a low of some $2.3 billion in 1959 and, as in the case of title XV benefit payments, these levels averaged almost twice as much as in the years prior to 1958.

During the 12 months ending in March 1964, the $85 million in unemployment compensation for ex-servicemen exceeded by almost $25 million the total amount of benefits paid to unemployed Federal workers, but the number of UCX beneficiaries was well over double the number of former Federal workers receiving benefits under the UCFE program (table 1). In 40 States, UCX benefit payments exceeded those under the UCFE program.

UCFE Coverage

Some 2.6 million civilian employees who were working for the Federal Government in the United

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More than $881 million in benefits has been paid to UCFE and USX claimants since the program began.

States and in overseas areas on December 31, 1963, were covered, as of that date, by the program of unemployment compensation for Federal employees. Of this number, more than 2.4 million were employed in the 50 States and the District of Columbia. Included in the 2.4 million figure were about 98,000 employees of post exchanges and other nonappropriated fund activities located at Army, Navy, and Air Force installations.

Of the 2.4 million employees, more than 905,000, or 37 percent, were employed by the Defense Department (Army, 320,000; Navy, 314,000; and Air Force, 271,000). Post Office employees totaled some 594,000; Veterans Administration, more than 172,000; Department of Agriculture, about 101,000; and all other Federal agencies and instrumentalities, approximately 662,000. The Federal agencies mentioned above accounted for almost 1.8 million employees, or 73 percent of total Federal civilian employment.

Table 1 shows the wide geographical distribution of Federal workers. While the District of Columbia led all jurisdictions, with more than 265,000 employees, California was a close second, with about 264,900, followed by New York (187,000), Pennsylvania (135,000), Texas (128,000), and Illinois (104,000). The smallest number was in Vermont (3,000).

UCFE Claimants

The largest number of UCFE benefit claimants originated with the Defense Department and the Post Office Department. These two agencies, together with the Veterans Administration and the Agriculture Department accounted for 67.8 percent of the 150,000 employees who claimed benefits in the 12 months ending March 31, 1964. This was some 5 percentage points lower than the proportions (73 percent) that these agencies comprised of total Federal employment at the end of 1963. Of the 2.4 million civilians working for the Federal Government at the end of December 1963, fewer than 6.2 percent (150,000) were claiming unemployment benefits at the end of March 1964.

The ratios of UCFE claimants to total employment for the Veterans Administration (3.6 percent) and for the Post Office Department (4.0 percent) were significantly below the proportion (6.2 percent) of total UCFE claimants to total Federal civilian employment, which may indicate a relatively stable employment situation in these two agencies.

UCFE Benefit Payments

Of the 150,000 claimants, more than 93,000, or 62 percent, qualified for and received benefits. The total amount of UCFE benefits paid to these claimants during the 12-month period ending March 31, 1964, amounted to about $60.1 million. The average benefit amount paid to an unemployed Federal worker is estimated to be about $644; the average weekly payment, almost $37; and the average duration of payments, 17.4 weeks.

Nine states and the District of Columbia ac-

counted for 51 percent of the UCFE beneficiaries and for 63 percent of UCFE benefits paid to eligible claimants during the 12 months ending March 31, 1964. These 10 jurisdictions had relatively large numbers of Federal workers, and as a group accounted for about 56 percent of total Federal civilian employment in the 50 States and the District of Columbia.

Although California and the District of Columbia each had 10.9 percent of all Federal employment, 23.9 percent of total UCFE benefits was paid out in California, compared with 4.2 percent in the

TABLE 1.—FEDERAL CIVILIAN EMPLOYMENT AND ACTIVITIES UNDER UCFE AND UCX PROGRAMS [1]

State	UCFE claimants (Apr. 1, 1963, to Mar. 31, 1964)	Federal civilian employment (Dec. 31, 1963)								UCFE benefits only (Apr. 1, 1963, to Mar. 31, 1964)		UCX benefits only (Apr. 1, 1963, to Mar. 31, 1964)	
		Total	Army	Navy	Air Force	Veterans' Administration	Post Office	Agriculture	Other agencies	Beneficiaries	Benefits paid	Beneficiaries	Benefits paid
Total	149,812	2,435,462	320,377	313,615	271,416	172,472	594,045	101,355	662,182	93,385	$60,096,013	202,122	$84,985,654
Alabama	3,816	63,990	17,425	22	16,021	3,797	6,871	1,513	18,341	2,151	1,059,735	3,864	1,642,571
Alaska	2,795	16,633	2,898	409	2,569	32	669	384	9,672	1,499	983,796	378	183,764
Arizona	2,706	24,172	3,010	896	3,381	1,544	3,484	1,464	10,393	1,620	541,380	2,042	715,956
Arkansas	1,428	16,144	3,865		739	2,699	4,279	2,246	2,316	751	295,590	2,030	653,767
California	22,683	264,861	17,348	81,661	37,222	15,526	54,937	7,484	50,683	13,948	14,341,534	26,182	12,828,859
Colorado	2,033	37,744	6,590	1	7,871	2,068	6,369	2,230	12,615	1,050	888,357	1,934	930,746
Connecticut	699	15,781	291	2,316	296	1,880	8,348	193	2,457	358	232,655	1,692	474,623
Delaware	175	3,949	60		1,192	492	1,236	136	833	87	51,531	469	157,997
District of Columbia	4,373	265,188	28,409	31,230	8,899	5,598	13,781	12,202	165,069	2,837	2,522,886	868	416,201
Florida	1,986	57,489	1,832	14,270	8,274	3,222	14,566	1,406	13,919	1,109	479,553	5,192	1,754,568
Georgia	3,476	64,123	12,091	3,209	17,435	3,675	10,406	2,872	14,435	2,066	945,678	2,953	1,166,359
Hawaii	1,726	26,964	4,935	10,662	2,782	82	1,331	217	6,955	1,125	873,543	917	428,499
Idaho	1,659	7,232	59	4	373	377	1,730	2,099	2,590	1,051	526,257	1,243	414,695
Illinois	5,807	103,582	15,713	6,490	5,372	10,137	43,083	3,447	19,340	3,609	2,159,015	6,879	2,589,279
Indiana	1,341	33,910	5,071	5,670	1,028	2,895	13,123	1,225	4,898	796	343,243	3,783	1,279,171
Iowa	519	16,230	410		163	2,775	8,764	2,200	1,918	209	98,184	1,424	465,917
Kansas	1,198	21,463	3,063	126	1,657	3,019	7,267	1,329	5,002	779	444,824	1,714	673,067
Kentucky	4,177	29,216	9,564	1,952	25	2,046	7,695	1,617	6,317	2,542	1,471,821	3,985	1,906,752
Louisiana	1,616	25,799	4,218	1,172	1,413	2,426	6,652	3,395	6,523	912	527,471	2,925	1,566,817
Maine	721	17,182	71	9,270	1,137	930	3,466	280	2,028	337	109,433	1,486	434,774
Maryland	1,992	51,603	16,452	7,491	219	2,727	6,933	406	17,375	923	548,972	2,960	1,043,336
Massachusetts	4,035	65,762	10,758	9,489	5,240	6,934	23,157	472	9,712	2,848	2,200,297	5,462	2,506,027
Michigan	3,438	45,649	8,524	140	2,225	4,932	19,943	1,526	8,359	2,203	1,007,383	9,211	3,297,090
Minnesota	2,525	26,661	1,067	117	871	3,981	13,123	2,871	4,631	1,728	721,652	4,744	2,225,779
Mississippi	2,057	18,676	2,388	419	3,127	2,169	4,050	3,101	3,422	1,509	546,985	1,291	422,416
Missouri	2,663	54,038	9,829	149	4,872	3,648	18,479	4,031	13,030	1,543	706,346	4,309	1,482,207
Montana	2,046	10,510	156		868	527	1,995	2,433	4,531	1,385	496,859	890	300,704
Nebraska	725	16,610	2,283	304	1,770	1,653	5,392	1,605	3,603	554	233,659	755	236,701
Nevada	742	7,598	13	989	1,543	334	1,168	313	3,238	385	196,674	558	186,031
New Hampshire	903	4,636	229		754	336	1,998	235	1,084	453	259,155	884	298,039
New Jersey	3,733	56,841	17,708	4,547	2,279	3,733	19,435	421	8,718	2,585	2,143,315	6,165	2,661,208
New Mexico	2,769	26,414	5,162	130	4,059	1,236	2,319	1,421	12,087	1,839	733,732	1,454	609,377
New York	9,201	186,828	16,922	21,524	11,272	16,828	81,219	1,874	37,189	4,924	3,736,120	13,850	5,153,180
North Carolina	2,276	34,573	3,135	5,932	1,004	3,831	9,482	2,362	8,827	1,627	578,396	3,801	1,322,995
North Dakota	885	7,404	268		915	441	2,447	802	2,531	344	178,951	909	384,695
Ohio	3,172	95,319	6,387	1,093	22,266	7,790	31,363	1,395	25,025	2,851	1,869,256	10,795	4,607,268
Oklahoma	2,116	46,595	3,921	1,009	20,082	1,703	6,965	1,719	11,196	1,207	591,150	2,682	1,132,213
Oregon	2,811	21,961	2,747	1	687	1,831	5,389	4,622	6,684	1,567	718,724	2,484	938,356
Pennsylvania	6,677	134,721	23,784	24,827	11,925	10,443	37,622	2,015	24,105	3,874	2,862,182	18,059	8,969,408
Rhode Island	587	13,195	346	7,817	5	770	2,687	74	1,496	407	297,838	1,198	430,762
South Carolina	1,714	25,926	2,420	10,266	1,899	980	4,658	1,441	4,262	1,046	467,150	1,902	727,147
South Dakota	728	9,533	874		567	1,488	2,430	1,130	3,044	561	200,335	632	219,358
Tennessee	4,592	37,143	4,018	861	928	4,707	9,371	1,684	15,574	3,147	1,511,727	4,386	1,790,304
Texas	6,392	128,406	20,446	1,873	36,205	8,559	25,823	5,907	29,593	4,766	2,578,545	10,071	4,755,376
Utah	2,292	29,546	7,383	223	11,748	1,096	2,747	1,513	4,836	1,632	942,748	1,140	444,732
Vermont	190	3,087	48		21	438	1,655	221	704	105	86,979	479	191,976
Virginia	3,029	76,860	9,070	32,283	1,588	4,160	8,831	1,563	19,365	1,169	481,494	2,372	813,854
Washington	7,397	48,977	5,263	12,769	3,045	3,207	8,727	2,449	13,517	5,372	3,296,510	8,398	3,476,158
West Virginia	745	11,585	919		18	2,204	4,655	960	2,829	475	145,868	4,186	1,728,287
Wisconsin	1,850	21,670	711		885	3,808	10,842	2,160	3,264	1,190	657,809	3,728	1,766,502
Wyoming	596	5,483	223	2	680	758	1,083	690	2,047	330	202,716	407	179,786
UCFE claimants		149,812	23,389	17,344	13,211	6,187	23,581	17,870	48,230				
UCFE claimants as percent of employment		6.2	7.3	5.5	4.9	3.6	4.0	17.6	7.3				
Percent distribution of UCFE claimants		100.0	15.6	11.6	8.8	4.1	15.8	11.9	32.2				

[1] The programs Unemployment Compensation for Federal Employees (UCFE; effective Jan. 1, 1955) and Unemployment Compensation for Ex-Servicemen (UCX; effective Oct. 27, 1958) are provided for under title XV of the Social Security Act of 1935 (effective Aug. 14), as amended.

Sources of data: Federal civilian employment—U.S. Civil Service Commission; UCFE and UCX data—Bureau of Employment Security, U.S. Department of Labor.

District of Columbia, as shown in the accompanying table. Also, California has 15 percent of the eligible claimants, against 3 percent in the District.

State	Federal civilian employment	UCFE Benefits	
		Beneficiaries	Benefits paid
Total, United States	2,435,462	93,385	$60,096,013
		Percent of total	
California	10.9	14.9	23.9
New York	7.7	5.3	6.2
Washington	2.0	5.8	5.5
Pennsylvania	5.5	4.1	4.8
Texas	5.3	5.1	4.3
District of Columbia	10.9	3.0	4.2
Massachusetts	2.7	3.1	3.7
Illinois	4.3	3.9	3.6
New Jersey	2.3	2.8	3.6
Ohio	3.9	3.1	3.1

The relatively lower dollar level of benefits in the District of Columbia results partly from the concentration of the headquarters of Federal agencies within a comparatively small geographical area. This makes it easier, when a reduction in force occurs, for employees to transfer within and among Federal agencies and reduces the likelihood of their having extended unemployment. Another factor, of course, is that headquarters staff generally have more stable employment than field installations have.

UCX Coverage and Benefit Payments

Some 2.7 million active duty personnel in the Armed Forces of the United States on December 31, 1963, were covered by the program of unemployment compensation for ex-servicemen. For the 12-month period ending March 31, 1964, more than 202,000 ex-servicemen qualified for and received UCX benefits (table 1). UCX benefits paid to these claimants during this period totaled almost $85 million. The average benefit amount paid is estimated at about $420; the average weekly payment, some $33; and the average duration of payments, 12.7 weeks.

Ex-servicemen beneficiaries under the UCX program were located most often in the more populous States, in those with high population densities, or in those with new or expanding types of industries—where there would be more job opportunities in both Federal civilian and private employment.

The 10 States listed in the accompanying table accounted for 57 percent of the UCX beneficiaries and for nearly 60 percent of total benefits paid to eligible claimants under that program. Since most of these 10 States rank relatively high in population, it could be assumed that they would have supplied most of the servicemen who were later separated from the Armed Forces. However, an ex-serviceman may file for benefits in any State that he chooses, regardless of the State from which he entered military service.

State	UCX benefits	
	Beneficiaries	Benefits paid
Total, United States	202,122	$84,985,654
	Percent of total	
California	13.0	15.1
Pennsylvania	8.9	10.6
New York	6.9	6.1
Texas	5.0	5.6
Ohio	5.3	5.4
Washington	4.2	4.1
Michigan	4.6	3.9
New Jersey	3.1	3.1
Illinois	3.4	3.0
Massachusetts	2.7	2.9

The Federal Programs Supervisor in California

*Raymond E. Minners**

THE major responsibilities of the Federal Programs Supervisor of the California Department of Employment involve evaluation of local office operations under the program, establishing and maintaining working relationships with the many branch offices of Federal agencies; preparing and maintaining procedural instructions for local offices; and developing appropriate training material.

The role of the Supervisor has broadened, and has become an increasingly active one since the beginning of the unemployment compensation for Federal employees (UCFE) program in January 1955, and the inception in October 1958 of the unemployment compensation for ex-servicemen (UCX) program. California has a large proportion of Federal Government employees, and in

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1963 paid unemployment insurance benefits in excess of $27 million to over 14 percent of the national total of jobless Federal civilian workers and ex-servicemen claimants.

In the early stages of the UCFE program, a substantial portion of the Supervisor's time was spent in arranging and holding meetings with payroll and personnel officers of Federal agency installations in California and visiting them to provide individual guidance. When the UCX program was established, responsibilities were added, especially to train and direct local office personnel. Since experience and precedent were lacking, the early operating procedures developed for the two programs and released to local offices were necessarily brief and incomplete. UCFE procedures were incorporated initially in the local office "job manuals," but UCX procedures were issued in handbook form because of the transitory nature of its relationship with the still existing unemployment compensation for veterans (UCV) program.

Until July 1961, specific evaluation of local office administration of the UCFE and UCX programs was limited to the annual evaluation required by the Bureau of Employment Security. Annual evaluations had shown weaknesses in the UCFE operations, particularly in such areas as adherence to the "finality of Federal findings" requirement when making eligibility and disqualification determinations, excessive time charges, and lack of use of the ES–934 (Request for Information of Reconsideration of Federal Findings) to obtain additional separation information or omitted facts. In the UCX program, obtaining a copy of the ex-serviceman's DD–214 (Armed Forces of the U.S. Report of Transfer or Discharge) to substantiate his entitlement had become the exception rather than the rule.

It became obvious that greater attention to the Federal programs was needed. As a result, closer liaison with the State Office was established and evaluation of local office operations was expanded. Training of local office staff was initiated, with the full cooperation of the BES and the California Department of Employment.

Local Office Evaluations

A quarterly schedule of local office evaluations, usually two or three per month, was established. Those local offices having the greater Federal programs workload were the first to be evaluated; excluded, of course, were any offices that had had a recent BES annual evaluation.

Initially, the evaluation forms provided by BES Outline No. 56 were used and some still are. Some of the forms, however, such as the ES–693 (Analysis of Processing UCFE Forms ES–931), while adequate for use by an up-the-line evaluator, do not lend themselves to use by local office supervisors. The ES–693, for example, covers work supervised by more than one supervisor. Therefore, two State evaluation forms were developed—one to evaluate the processing of the ES–931 (Request for Wages and Separation Information) at the time the claim is taken, and a second to evaluate the processing of the document upon its return by the Federal agency and to measure the adequacy of actions taken if the reply was delayed or incomplete. Similarly, a form that meets State needs more precisely was designed for evaluation of UCFE separation issue determinations.

A few months' experience in evaluating local office UCFE–UCX operations indicated that, for quality performance, local office supervisors themselves should take a more active part in the evaluation process. It became obvious also that certain operations required regular periodic review which could be done best, or only, by observation or by using scanning techniques. Consequently, in September 1962, forms for the evaluation of the UCFE program and scanning techniques for both the UCFE and UCX programs were provided for local office supervisors to use in making required periodic evaluations of the two programs. The forms are used also by field supervisors in their periodic reviews of UI activities.

California has continued to use a modified version of BES Form ES–697 (Analysis of UCFE and UCX Claim Record and Work Registration Cards). This form, together with the two State-developed forms for evaluating the processing of the ES–931's mentioned above, and the form for review of UCFE separation issue determinations, constitute the formalized part of the evaluation procedure for each local office.

In addition, a substantial number of UCX claims, on which payments have been made, are reviewed to determine if the ex-serviceman has certified each week (on State-developed Form ES–970A) that he is not in receipt of an education,

training, or subsistence allowance from the Veterans Administration. This form, the same size as the payment certifications, is kept in front of the deck of certifications in the claims jacket of every UCX or joint UCX claim. California uses this written certification to preclude the possibility of the question being overlooked if it was asked orally, and as documentation in the event of fraud.

A sample of UCFE, UCX, and joint UI claims for which one or more additional claims have been filed is also examined to determine if the additional claim has been identified as a Federal claim. This examination is made by checking the correct program block on the claim form that is used for both Federal and State UI claims. Attention to this area ensures greater accuracy in the resulting statistics that are vital to the budgetary processes.

Another part of the evaluation involves the review of a substantial sample of State UI claims to learn whether two questions on an initial claim form have been answered in the affirmative and, if so, to see that proper action had been taken. These questions ask the claimant if he had had Federal military service or Federal civilian employment during the past 18 months. The 18-month period covers any possible base- or lag-period service. Since the addition of these questions to the initial claim form in October 1960, the nondiscovery of Federal wage credits has been reduced substantially. Instances of undiscovered Federal wages were more common when this question was explored only orally with the claimant.

All of the three scanning reviews mentioned above, in addition to the four documented analyses, are required of local office supervision. The three can be made simultaneously by perusal of a section of the active claim files.

Each local office manager in California is required to appoint a Federal Programs Specialist whose duty it is to take initial Federal claims, maintain a UCFE–UCX suspense file, and make nonmonetary determinations involving the "finality of Federal findings." These duties may be performed by an adequately trained alternate. During each local office evaluation, this assignment and the duties performed are reviewed and the suspense file is examined. This file contains Forms ES–931 and ES–934 for which a reply is pending and Forms ES–970 (Request for Determination of Federal Military Service and Wages) for UCX claims for which receipt of a Form DD–214 is pending. Review of this file reveals any lack of action in sending second request ES–931's or ES–934's or in further followup, failure to complete an ES–935 (Claimant's Affidavit of Federal Service, Wages, and Reason for Separation), or lack of processing when a claimant returns with a DD–214 that he was previously unable to provide. Submission of an ES–931 request to an erroneous address can also be ascertained from perusal of the file.

An evaluation of a local office further includes an examination of time charges in relation to workload, and a review of the evaluation schedule and of completed evaluations. If indicated by different findings between the local office supervisor and the State Office reviewer, the supervisor's findings may be validated by review of the same cases to determine the understanding of the local office evaluator of the criteria to be used in making evaluations and of the peculiar aspects of the UCFE and UCX programs.

Federal claims that may be taken during the presence of the evaluator in the local office are reviewed for adequacy of processing to discover any areas of misunderstanding. Claims taking and the conduct of eligibility benefit interviews and periodic reinterviews are observed, if possible, to measure the adequacy of oral information given claimants.

All local office evaluations include the elements mentioned above. In addition, studies may be made from time to time in particular offices, such as an evaluation of placement services to retired ex-servicemen, or a more detailed analysis of the availability and ability to work of this group of claimants in an area having a high concentration of such claimants.

A cooperative relationship exists between the Federal Programs Supervisor and the Management Inspection Section. The latter has overall responsibility for the evaluation of all the Unemployment Insurance, Employment Service, Farm Labor, and manpower stabilization programs of the agency. Personnel of this section often include Federal claims in their evaluation samples, and they may follow up on weaknesses shown in a UCFE–UCX evaluation, or may review independently Federal claims activity while in a local office.

For all local office reviews, a written report is sent to the local office, through the Area Manager, with instructions or recommendations for improvement, as indicated by the findings. During the

oral summary of the review findings, or at a specified period during the review, time is allowed for a discussion of facets of the Federal claims processes that may not be clearly understood by all local office personnel concerned with the operations.

The annual evaluation of State Office procedures and processes is supplemented by periodic review of specific aspects of either the UCFE or UCX program for which a need may be indicated by document review, lengthening of time lapse in payments, rise in error rate in the preparation of control cards, changes in Federal or State law, or other clues.

Perhaps the next most significant responsibility of the Federal Programs Supervisor is the conduct of an active UCFE visiting program and establishment of cooperative working relationships with the Veterans Administration, other principal Federal agencies, and the larger Armed Forces separation centers.

Visits to other Federal agencies stemmed from a real need, particularly in the early stages of the UCFE program, to acquaint them with aspects of the program and to elicit their cooperation in prompt and accurate submittal of information required to process benefit claims. Subsequent visits were needed to clarify concepts or procedures, and to ensure continued promptness and accuracy. The local offices initiate visits when there is delayed receipt of ES–931 or ES–934 replies, when there is repeated inaccuracy in separation data or other required information, or upon direct request by a Federal agency. The Federal Programs Supervisor also initiates visits as a result of monthly reviews of returned verification Forms ES–936, periodic post-processing reviews of the ES–931's received in State Office, and clues that might be found in miscellaneous correspondence with Federal agencies.

For the most part, UCFE visits are made by a local office representative in those areas where there is large concentration of Federal agencies and a trained visitor is available. In other areas, the visits frequently are made by the Federal Programs Supervisor or his assistant.

That the visiting program has been successful is confirmed by the decreasing need to make visits. It is recognized that some agency visiting will always be necessary, but clues in recent years indicate that a wholesale program is not required. The most prevalent need for visiting after the several years of operation of the UCFE program appears to be in connection with nonappropriated fund activities (e.g., a Post Exchange Store on an Army base). These activities often are manned by only one or two servicemen or service wives who are unfamiliar with UCFE procedures. The frequent turnover of personnel is also a considerable factor in the failure of some of the nonappropriated fund activities to follow UCFE instructions. Also, letters are written frequently to overseas agencies to refer them to UCFE instructions or to provide guidance. Bordering as it does on the Pacific Basin, California sends many ES–931 requests to overseas agencies as many of the former Federal employees file their claims in this State.

Procedural Instructions

Another major responsibility of the Federal Programs Supervisor is to prepare and maintain up-to-date procedural instructions for local offices. California has a "job manual" method of providing for local office procedures. Those segments of the overall claims procedure that apply at a particular job station are incorporated in a manual for that function, such as reception, completion, continued claims, nonmonetary determinations, and several others. The procedure at the various job stations must be written within the framework of State law, policy, and precedent. A timely list of Federal agency payroll addresses is also included in the local office Claims Completion Manual.

State Office accounting and data-processing procedures are prepared by the respective sections, but it is the responsibility of the Federal Programs Supervisor to keep these sections advised of changes in law, policy, or procedure that may affect their operations. This often results in conferences between the Federal Programs Supervisor and personnel of one or more of these sections or with other sections, such as Research and Statistics and Standards and Methods, to ensure united action and to delineate responsibility for various functions.

Training and Other Responsibilities

The preparation of pertinent training material is within the jurisdiction of the Federal Programs Supervisor. A training outline has been prepared on "Federal Claims Appreciation," a course given to all trainees and to other employees who may have a need for it.

Among other duties some seem routine and re-

petitive, but the questions and problems presented are not necessarily so. Control registers are maintained for ES–973 requests (Request for Military Information Under the Ex-Servicemen's U.C. Act of 1958), and DD–214 requests as well as any necessary followup. Requests for information or guidance often require research; employee suggestions for program improvement are analyzed; and statistical material is prepared for BES reports or for internal use. There is continuous review of referee decisions, field supervisors' reports, Management Inspection evaluation reports, and of Federal agency findings that "Federal service" was not performed, to ensure conformity with the law and procedural instructions.

There is also the review system, beginning in the local office and continuing in the State Office, that provides for both preprocessing and postprocessing review of Federal claims documents to uncover any areas of weakness and to correct individual errors. This review system has been highly successful in reducing errors and misunderstandings by local office personnel of the special requirements of the Federal programs.

Activities that occur periodically may include arranging for and conducting, or assisting in the conduct of, UCFE meetings with Federal agencies; making time studies to determine use of time for the administration of the Federal programs; compiling budgetary requests; preparing emergency procedures for the suspension of Federal benefits when Federal funds are exhausted; and analyzing proposed State legislation that may affect Federal as well as State claims activity.

Issues Reflected in Recent Appeals Decisions*

The "Finality" Provision for Federal Employees UI Claims

"THE deck was stacked against me—it didn't make any difference what I said," lamented a disqualified unemployment insurance claimant. This claimant had encountered the effect of a special provision in the law relating to unemployment compensation for Federal employees that limits the "facts" upon which the adjudication of these claims may be based.

Specifically, the Federal law provides that a written statement by the Federal agency which employed a worker is final and conclusive as to the reason for his separation from work. Claims examiners, appeals referees, and others who make decisions on contested unemployment insurance claims must accept, as their own finding, the Federal agency's written statement as to the reason for separation. This has caused much concern. Claims examiners often feel that individuals' rights are infringed upon by this elimination of more orthodox factfinding and investigative methods. Appeals referees often feel uncomfortable when this provision appears to deprive litigants in appeal proceedings of the opportunity to confront and cross-examine adverse witnesses. The Bureau of Employment Security and the Interstate Conference of Employment Security Agencies have favored repeal or modification of the provision. It is still unchanged, however; and, regardless of favorable or unfavorable views about the provision, Federal and State officials must enforce its application.

An examination of appeal decisions demonstrates how they are affected by the requirement that claims adjudicators must accept as final a

*Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.

Federal agency's written statement regarding the reason for the separation of its employees. In an Ohio Referee Decision (No. 338831 UCFE, April 24, 1964) the Federal agency had made this written statement about the separation of a former employee: "Refused to follow orders from supervisors. Very poor employee. Found asleep on job January 20, 1963. Very sullen, almost to the point of being arrogant. Absent from work many times due to illness." The agency, applying the provision of the Ohio law applicable to the case, held that the claimant had been discharged with just cause in connection with his work and disqualified him. The claimant appealed and appeared at the hearing with two witnesses. The testimony at the hearing, at which no employer representatives appeared, denied the employer's statement but added no new facts that the referee considered to merit further inquiry to the employer. He concluded:

> Section 1507(a), Social Security Act, provides that when claimant is an employee of the federal government or in federal service, such claimant must be disqualified for benefits when the reason for claimant's separation given by the federal agency constitutes just cause within the meaning of the Ohio Unemployment Compensation Act.
>
> In the present instance, the reasons advanced by the employer constitute just cause within the meaning of the Ohio Law and despite claimant's contradictory testimony, it must be concluded that there was no error in the Administrator's finding and such finding must be affirmed.

A canteen service employee at a Veterans Administration hospital quit his job. The written statement by the Federal employers said: "Resignation—To seek other employment." The claimant appealed a decision of the agency which held that he had quit without good cause, and at the hearing testified that there were different reasons for his leaving. The Virginia referee affirmed the disqualification (Decision of Appeals Examiner, UCFE–420–419, June 27, 1963) and explained:

> The claimant has given a number of different reasons for his decision to quit his job; however, the Examiner is bound by the separation information furnished by his last employer. In accordance with the agreement this State Agency has with the Secretary of Labor, the Federal separation information must be accepted as fact.

Either of these situations would have been less likely to occur where other kinds of unemployment insurance claims were involved. While the claims deputy or the referee in all unemployment insurance cases shares the responsibility for developing all facts, usually sworn testimony at an appeals hearing is given more weight than ex parte statements or other information that was not presented at the hearing. Since the written statement of the Federal agency is the only acceptable evidence as to the reason for separation, when this information is adequate to support the conclusion, instructions to Federal agencies indicate that if Federal representatives attend the hearing they should call attention to the fact that the written statement of the agency is final and conclusive. Representatives of the Federal agencies attend few such hearings.

In some cases the requirement that the Federal agency finding as to reason for separation be considered conclusive and final creates a paradox in the factfinding necessary to adjust a claim. A title examiner for the Tennessee Valley Authority testified that he was forced to resign as an alternative to dismissal. In his testimony he noted, however, that in the circumstances leading to his separation his illness had been involved. He had been absent because of illness and his supervisor had, according to his testimony, stated that he believed his physical condition prevented him from performing the work in a satisfactory manner. The claimant did prepare a resignation letter stating that he was resigning because of ill health. There appeared to be some consistency, therefore, between the statement of the employer that the claimant resigned due to ill health and the claimant's statement that he had been forced to resign due to ill health as an alternative to discharge. Since there was no need for the employer's statement to change, this became binding upon the agency staff engaged in the adjudication of the claim.

In the Tennessee law, however, there is a provision that resignation due to ill health will not be a disqualifying separation if the claimant submits evidence, supported by competent medical proof of his illness which forced him to leave his most recent work. According to the claimant's understanding of the separation, there was no need for such medical record and for that reason none was available to be presented. The Board accepted the conclusion of the referee (Appeals Referee Decision No. 64–AT–3–UCFE, January 14, 1964) which stated:

> The Appeals Tribunal must be guided by the reasons as set forth by the separating employer—resignation because

of health—inasmuch as there was a further check made wherein the Assistant Director of Property and Supply stated that the claimant was not discharged but had submitted a written resignation based on ill health which was accepted by TVA.

The separation was found to be disqualifying. In its decision (No. 64–BR–8–UCFE, March 26, 1964) the Tennessee Board of Review, in affirming the referee, added:

However, the question with which we are concerned is whether or not the claimant has complied with the provisions of section 50–1324 A of the Code relative to a doctor's certificate to substantiate the fact that he was ill enough to cause him to leave his work. We do not find a doctor's certificate in the record of sufficient nature to meet the provisions of the aforementioned section. It appears that the claimant was ill at the time he resigned his employment; however, in order to bring this case within the purview of the aforementioned section, we are of the opinion that the law required a doctor's certificate to substantiate the claim. In view of the fact that there is not one in record of sufficient nature to comply with these provisions we are of the opinion that the decision of the Referee heretofore entered should be affirmed.

When the Federal agency statement is in the form of a conclusion rather than a fact, the claims examiners or referees are obliged to go back to the employer for a further statement in writing that would provide the factual basis to support a conclusion. This situation occurred in a Missouri Referee Decision (Appeal No. F–4435–63 UCFE, January 23, 1964). The claimant had been a receptionist and switchboard operator at a Veterans Administration hospital. As the reason for separation the Federal employer reported that she left because she was "dissatisfied with work situation." The Missouri agency asked for specific facts. The Federal agency responded, in writing, that the claimant had alleged favoritism and partiality in the rotation of shifts but that investigation revealed there was no one operator who was favored over another. There had been no formal grievance procedure because no grievance was filed. At the appeal hearing the claimant testified that there had been favoritism and that one employee in particular had been given the most desirable hours. In affirming the disqualification, the referee stated:

Under Section 1507(a) quoted above the Referee in deciding the claim of a former federal employee is bound by the findings of the federal agency which have been furnished to the Division regardless of any contrary testimony given by the claimant in a hearing. The Referee's function is not to comment on whether or not the provisions of 1507(a) conform to the commonly recognized requirements of a fair hearing. The sole function of the Referee is to apply the provision of that section as enacted. According to the federal findings the claimant resigned because of dissatisfaction with her work situation. The federal findings further indicate that there was no favoritism or partiality in the rotation of shifts and that no one switchboard operator was favored over any other operator. According to the Federal Law the Referee is bound by these findings regardless of the claimant's sworn testimony to the contrary. Based on these federal findings the Referee finds that the claimant left her work voluntarily on August 16, 1963 without good cause attributable to her work or to her employer.

When the Federal agency statement about a claimant separation from work is sufficiently factual to support a decision, and not in conflict with information given by the claimant, the factfinding methods for Federal employee claims do not differ materially from those used for other claims. The problem is complicated when the Federal agency's statement of reasons for separation consists of conclusions rather than facts.

In New York, the separation from work of a substitute mail carrier who was in the 4th month of his 6th month probationary period was reported by the Federal employer as: "Resigned—Personal reasons." The claimant advised the local office claims deputy that he had performed his work satisfactorily but that the Postmistress was not satisfied with his work. The claimant indicated that on March 17 the Postmistress told him he was being discharged that day, but gave him the alternative of submitting a resignation, which he did. The local office deputy then wrote to the Federal employer and was advised, in writing, that the claimant had resigned rather than be fired because his "work was unsatisfactory." Since this statement altered the original Federal agency finding but still consisted of a conclusion rather than a fact, further specific questions were directed to the Federal employer. Questions 4, 5, and 6 in this list asked for specific detail of the incidents which the employer considered unsatisfactory. The Federal employer's additional statement indicated that the claimant could be terminated at any time during the 6-month probationary period if his work was unsatisfactory. The response from the Federal employer was that questions regarding the possible discharge would not be answered because they were hypothetical and that questions 4, 5, and 6 would not be answered because it was privileged information.

The matter was considered in a decision of the New York Appeals Referee (Referee #UCFE–418–64, May 26, 1964) in which the referee allowed benefits without disqualification and included, in part, the following explanation:

> While the findings of the Federal agency are entitled to be treated as final and conclusive it is still the province of the Referee in unemployment insurance proceedings to determine whether the information received from the Federal agency requires that a claimant be disqualified from benefits. The information received from the Federal agency does not require a conclusion that claimant must be disqualified from benefits because of the circumstances under which his employment terminated. A claimant's loss of employment because of unintentional inefficiency does not require a disqualification. Moreover, where a claimant is discharged by the employer, and that is the realistic interpretation which must be given to the termination of claimant's employment in this case, a claimant may not be disqualified from benefits unless it is established that he deliberately and intentionally indulged in wrongful or improper conduct calculated and designed by him to cause his discharge. The evidence including the reports received from the Federal agency fail to establish that such a situation existed in this case. Consequently I find that the disqualification imposed upon claimant is unjustified.

The claimant in this case was a probationary employee who could, under the regulations, be terminated without recourse if, in the supervisor's judgment, his work was unsatisfactory. Opponents of the concept of the "finality of Federal agency findings" point to the fact that opportunity for review is available under Civil Service procedures to separated workers who had passed their probationary period, but that no such privilege is available to workers separated during the probationary period.

In some situations the statements or testimony of the claimant have some elements in common with the Federal employer statement. In others, the claimant's statement is a complete contradiction. The effect of the "finality" provision applies to either case. An Oklahoma claimant had been an employee of a nursery at an Army base. She advised the claims deputy and later testified before the Appeals Referee that the last day she was scheduled to work she was ill and that her name had never been posted for further work after that time. She had understood the employer would call her when her name was placed on the list for work. The Federal employer provided a statement to the agency which gave as the reason for claimant's separation from work: "Resigned, lack of transportation." In view of the contradictory statements, the Federal agency was asked for additional information and reiterated the original statement that the claimant resigned due to lack of transportation.

The claimant appealed the decision which had disqualified her. She testified at the Referee's hearing that she always had transportation with other workers and that there was also bus transportation except late at night, at which time she could ride with other employees. She testified further that the last day she was scheduled to work she had been ill and had not been scheduled since that time. The Oklahoma Referee affirmed the determination of the deputy disqualifying the claimant and in his decision (No. UCFE–48–AT–63, July 5, 1963) explained:

> The Federal law under which benefits are paid to former Federal employees provides that the information furnished by the separating agency, with regard to one's separation from work, shall be accepted as the facts in the matter. Being bound by this law, in this regard, we, therefore, must find that the claimant's separation from work was due to lack of transportation. From this evidence, it is our finding that the claimant did, in effect, voluntarily leave her last employment without good cause connected with the work itself; therefore, she is subject to the disqualifying provisions of the cited section of the Act.

The result of the "finality" provision is not inevitably a benefit denial. In some cases the reason for separation stated by the Federal employer is not a disqualifying reason. In some cases the claimant describes a different reason for leaving under circumstances that would have been disqualifying. This situation requires further inquiry from the employer but if the Federal employer persists in the original statement, the claimant would not be disqualified.

The "finality" provision continues to cause concern to some while others are content with its result. Does it result in substantial inequity? Does national security require this bar to the further examination of the reason for separation of Federal employees? Does the right of a claimant to seek review of the Federal agency's personnel action that separated him prove ample protection to his unemployment insurance rights? Does the "finality" provision conflict with the right to a fair hearing? These are some of the questions in the minds of those who continue to administer the provision.

Unemployment Insurance Decisions*

Will Travel

Kentucky.—A 62-year-old employee's termination from Federal employment in Louisville, Ky., was described by the Federal employer as "Separation—Failure to accompany activity. Refusal to exercise functional transfer rights. No job offer made." The claimant appealed from an adjusted determination that disqualified her because the separation was not necessary or compelling and that "claimant was discharged for reasons other than misconduct." The referee affirmed the disqualification but based it on a finding that she had voluntarily quit her most recent employment without good cause. The Kentucky Unemployment Insurance Commission decision (C.O. #5516, AD #63-3119-UCFE, May 20, 1964) upheld the referee's decision and considered among other facts that the claimant applied for and received social security benefits and that she later went to Texas where her daughter lived and registered for work and also later visited a relative in Colorado and sought work. This, reasoned the Commission, "destroyed her argument that refusal to leave Louisville with her employer was based on good cause."

Contracted Out

Louisiana.—After 10 years of civil service employment with one agency, a supervisory mechanical inspector stationed in Ankara, Turkey, was to be transferred to another agency under circumstances he described as a "loan." According to the claimant the new agency gave him a contract under which he would receive $45 per day until the job was established by the Civil Service Commission; but, when this was done, he was not placed in this job but was returned to his former agency which had no opening for him. This agency returned him and his family to the United States. The Federal agency stated that the claimant was employed on a contractual basis and was released upon completion of assignment. The Louisiana referee (Appeal Docket 1888-AT-64, UCFE, June 15, 1964) explained that in matters relating to circumstances of employment and separation from work the Federal agency finding is final and conclusive. The claimant's earnings were therefore paid under a contract and not as wages which would qualify him for benefits. Since he had earned no "wages" in his base period, he was ineligible for benefits.

In Addition

Missouri.—A postal employee was placed on probation for 3 years after pleading guilty to a charge of embezzlement of United States mail. "Resignation—after being apprehended for embezzlement of mail" was the original Federal employer statement. In response to specific written questions by the State agency, the Federal employer stated that the claimant's embezzlement was known before his separation and that if he had not resigned he would have been discharged. An appeals referee accepted the Federal agency finding that the claimant resigned to avoid certain discharge and held that under the interpretation of the State law this was equivalent to a discharge. The Missouri law provides a disqualification from 1 to 8 weeks for a misconduct discharge, "in addition to" which, "in the more aggravated cases of misconduct," wage credits with the discharging employer are canceled; it also provides that a claimant will not be disqualified for any week occurring more than a year after the date of an otherwise disqualifying act. Weeks of disqualification were not applied by the Referee because the disqualifying act occurred more than a year before his first claim; but the wage credits with the employer were canceled and the referee reasoned:

"It has been suggested that the words 'in addition to the disqualification for benefits' mean that a claimant's wage credits may not be cancelled unless he has been disqualified. The term 'in addition to' has no such meaning. The term means, when a claimant has been discharged for a more aggravated case of misconduct, that if he is disqualified his wage credits may be cancelled in addition; if he is not disqualified his wage credits may be cancelled anyway."

Cupid's Arrow Misses the Good Cause Target

Oklahoma.—The claimant met her future husband in Lubbock, Tex., where they were both employed by a large Federal agency which has local offices throughout the country. Some 6 months prior to their marriage, the agency transferred the prospective groom to Omaha, Nebr., and transferred the prospective bride to Tulsa, Okla. It was the policy of the Omaha office to refuse to permit a husband and wife to work in the same local office. This rule did not prevail in Tulsa, and the Tulsa office tried to get the prospective groom transferred there, but the Omaha office would not release him. Therefore he quit, and moved to Oklahoma where the marriage took place. The claimant also quit just before the marriage, but stated that she would have continued working if she could have worked in the same local office as her husband.

The statute provides in effect that an individual who leaves work voluntarily to marry shall be denied benefits until the individual obtains bona fide reemployment, but an exception is made if the claimant shows such "good cause" as would warrant a waiver or modification of this provision. Under the circumstances of this case, however, the Oklahoma referee (Dec. No. UCFE-43-AT-64) held that the facts available failed to justify a conclusion that good cause had been established.

*Prepared in Division of Determinations and Hearings, Office of State Operations, Unemployment Insurance Service, Bureau of Employment Security.

Trends in the Economy*

AT mid-1964, the Nation's economy was in its 40th month of steady growth and was relatively free of the imbalances that have foreshadowed downturns in previous periods of prosperity. Relationships between prices and costs, sales and inventories, credit and monetary liquidity, capacity and demand are all favorable in the current upswing.

Prices have been uncommonly stable over the past 40 months, as cuts in some areas have offset small advances in metal prices, resulting in a firm overall wholesale price index. Past recoveries generally have been accompanied by rising costs, but this time costs have dropped. The index of unit labor costs in manufacturing (1957–59=100) stood at 97.7 in June 1964, nearly 5 points below the 102.1 figure of February 1961 when the current upswing got underway. Federal Reserve Board policy has allowed the supply of money to grow smoothly, and both businessmen and consumers have shown restraint in their expenditures. Businessmen have maintained a tight-inventory-management policy during the past 3 years, resulting in a remarkable stability in the inventory-sales ratio. With respect to long-term planning, restraint has also been shown; the May capital-spending survey of Commerce-SEC indicated that business plans to spend 12 percent more in 1964 than in the previous year in face of a somewhat greater increase in the physical volume of sales. Among consumers, the cut in personal taxes as well as continually rising personal income has led neither to a burst of spending nor a burst of savings. Instead, consumers are spending at close to the normal relationship of disposable income.

The continuing high level of business activity during the first half of 1964, with an accompanying increase in job opportunities, has attracted an unusually large number of persons (mainly teenagers and women) to the labor force. Therefore, although employment has shown an almost steady uptrend, outpacing the growth in the labor force, the employment increases versus labor force gains have not resulted in a significant reduction in unemployment. Highlighting this situation is the persistence of the high level of joblessness among teenagers.

Business Activities

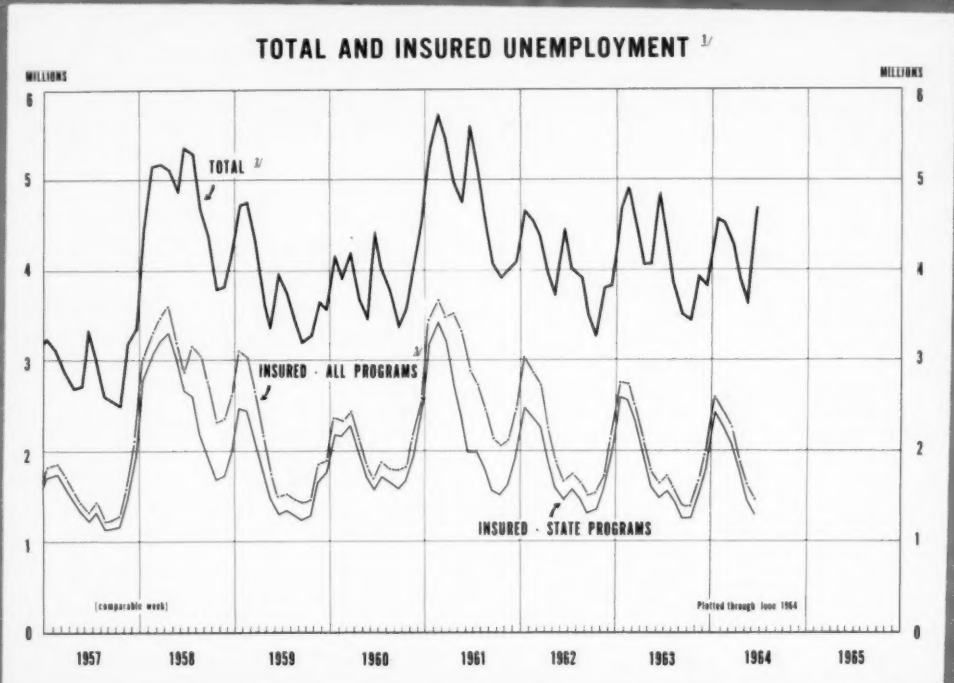
The industrial production index (1957–59=100), which has been showing new monthly highs since November 1963, advanced again in June to 131.8 from 131.2 in May, with the business equipment category showing an appreciable advance. For the first 6 months of 1964, the industrial production index averaged about 129.0—nearly 6 percent above the comparable period a year earlier and 15 percent higher than in the last 6 months of 1961, when the Nation's economy was emerging from the 1960–61 downturn.

Auto output in June, at 777,200, set a record for the month, topping the previous high in 1950 by about 8 percent. The June volume plus assemblies in the 2 prior months added to 2,288,700—a record for the second quarter and just under the record for any quarter (2,289,900 in the fourth quarter of 1963). From January through June 1964, a record high of 4,432,000 cars were assembled—nearly 10 percent above the 1963 first half and 4 percent higher than the previous first-half record set in 1955.

Production of steel continued high in June, averaging nearly 2.4 million tons per week. The monthly total of 10.2 million tons was about 850,000 tons short of the May volume, but about the same as in June 1963 when the total was inflated by steel inventory building before the industry's labor contract settlement (June 20, 1963). For the first half of 1964, steel production came to somewhat over 61 million tons—2 million above the comparable year-earlier period. Steel production in the first 6 months of 1964 was higher than in the first half of 1955, the record steel year. In that year, steel output totaled about 57 million tons from January through June, ending the calendar year with a figure of 117 million tons. Industry estimates of production indicate output of at least 120 million tons for all of 1964.

Construction outlays in June ran at a seasonally adjusted rate of $65.1 billion, compared with the revised figure of $64.8 billion in May and with

*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.



[1] Total unemployment includes Alaska and Hawaii beginning January 1960. Insured unemployment includes Alaska and Hawaii beginning July 1959 and Puerto Rico beginning January 1961.
[2] Source: Bureau of the Census and Bureau of Labor Statistics. Data revised for past periods to conform to definitions effective January 1957.
[3] Includes State, Veterans', Ex-servicemen's, Federal Civilian Employees', and Railroad Programs. Also includes Federal and State programs for temporary extension of benefits beginning June 1958.

$62.3 billion a year earlier. Private construction expenditures, which accounted for about 70 percent of all construction spending in June, were up 8 percent from May and were 5 percent higher than a year earlier. Increased spending on new private nonfarm residential construction accounted for much of the over-the-month gain in private work. Outlays for new public construction were 17 percent higher than in May and were 3 percent above a year earlier. From January through June, expenditures for construction were at an annual rate of $65.8 billion— nearly $5 billion higher than the level in the first half of 1963.

June *retail sales*, at a seasonally adjusted level of $21.7 billion, were about $3 million above the previous peak in May. From a year earlier, the level was 6 percent higher. Durable goods sales this June were down about 3 percent from May, due chiefly to a decline in auto dealer sales, but were 5 percent above the June 1963 volume. Sales of nondurables were 2 percent above May and 7 percent higher than a year earlier. For the first half of 1964 as a whole, retail sales were at an annual rate of $21.4 billion. This compares with $20.3 billion during January–June 1963.

Employment

Total employment in June reached a new high of nearly 72 million; however, the over-the-month increase of 850,000 was less than is usual for this time of year. Virtually all of the June gain oc-

curred in the agricultural sector, raising the total of farm jobs to 5.8 million. Nonfarm employment was unchanged at 66.1 million, although seasonal expectations call for a rise of almost 400,000.

Included among the employed in June were 2.5 million nonfarm workers on part time for economic reasons. Their number increased by 450,000 over the month, about 100,000 more than the expected rise for this time of year. When compared with June 1963, there were 100,000 fewer nonfarm workers employed part time for economic reasons.

Total employment averaged 69.4 million per month during the first 6 months of 1964—1.6 million above the January–June 1963 average. In the nonfarm sector, there was a gain of 1.8 million jobs; agricultural employment fell by 200,000 continuing its long-term downtrend.

Unemployment

Total unemployment in June stood at 4.7 million, about 1.1 million higher than in May, but 150,000 below a year earlier. The seasonally adjusted unemployment rate rose to 5.3 percent from 5.1 percent in May; in June 1963 the jobless rate was 5.7 percent.

Unemployment among both adult men and women increased this June, and the rises were somewhat more than is usual for the time of year. However, additional joblessness among teenagers dominated the overall increase. Teenage unemployment rose by some 800,000, accounting for over three-fourths of the total rise. The unemployment rate for the 14–19 year olds stood at 15.0 percent, compared with 15.9 percent in May and 15.8 percent a year earlier. The over-the-month decline in the unemployment rate for this group reflected a smaller than expected number entering the labor force this June. The rate for adult men rose to 4.0 percent from 3.6 percent in the previous month, while that for adult women, at 5.1 percent, compares with 5.0 percent in May.

For the first half of 1964, the seasonally adjusted unemployment rate averaged 5.4 percent, down from 5.8 percent a year earlier. This drop in the overall rate was due largely to an improvement in employment conditions for adult men. Their jobless rate fell from 4.6 percent in the first half of 1963 to 4.0 percent in the first 6 months of this year. There was virtually no change in the average unemployment rates for adult women and for teenagers, which were 5.4 percent and 15 percent in the first half of 1964.

Insured unemployment under State programs declined by 11 percent between mid-May and mid-June to a volume of 1.3 million. The reduction was about usual for this time of year, and the seasonally adjusted level remained at 1.5 million; in mid-June 1963, the level was 1.7 million.

Most of the over-the-month decline resulted from continued recalls in construction and other outdoor activities, and new hiring in the apparel, trade, and service industries. In addition, there were some employment increases in the primary and fabricated metals industries and in electrical machinery.

The rate of insured unemployment (not adjusted for seasonality) was 3.1 percent, compared with 3.5 percent in May and 3.6 percent a year earlier. As in May, Puerto Rico and Alaska showed the highest rates—6.1 percent and 5.7 percent, respectively. Other States with rates 4 percent or above were California (5.0 percent), New York (4.2 percent), Washington (4.2 percent), and Massachusetts and New Jersey (4.0 percent each). The lowest rates occurred in Colorado, Iowa, Nebraska, South Dakota, and Virginia—less than 1.5 percent.

Only Puerto Rico and four States—Florida, Idaho, Missouri, and Wisconsin—showed increased insured unemployment between mid-May and mid-June, and the advances in most cases were nominal. Wisconsin showed the only significant increase—4,900, or 28 percent. The rise in this State reflected an earlier-than-usual plant shutdown of a large auto producer.

Four States each had insured unemployment reductions amounting to some 10,000 or more between May and June—California, Pennsylvania, New York, and Ohio. Recalls in construction and other outdoor work and hiring in trade were contributing factors toward the declines in each of these States. In addition, California and Pennsylvania noted fewer jobless service workers, while New York showed reductions in the numbers of unemployed from the textiles, apparel, leather, fabricated metals, and miscellaneous manufacturing industries. Ohio reported less unemployment among electrical machinery workers.

For the fiscal year ending June 30, 1964, insured unemployment averaged 1.7 million per month,

compared with 1.8 million in the preceding fiscal year. September was the low month in the first half of the fiscal year with unemployment running at a seasonally adjusted level of somewhat under 1.7 million. The high, at a level slightly more than 1.8 million, was reached in December. In the following months, insured unemployment declined somewhat more than seasonally each month, falling to a level of about 1.5 million in June (seasonally adjusted). This represented a reduction in the unadjusted volumes of 46 percent from the beginning of January, in contrast to a typical decline over this period of about 36 percent.

Initial claims edged up this June to an average of 218,000 per week—200 higher than the May average. The small over-the-month rise, however, was slightly less than seasonal. The weekly average of initial claims in June was about 22,000 less than a year earlier.

For the fiscal year 1964 as a whole, initial claims averaged 281,000 per week—compared with 302,000 per week in the preceding fiscal year.

Unemployment Insurance Activities*

JUNE was the fifth consecutive month that insured unemployment under State programs declined. At a weekly average of 1,296,600, the June volume was 150,500, or 10 percent, below May. This decline was about seasonal, in contrast to the more-than-seasonal reductions in the preceding 4 months. The decline from May resulted primarily from continued recalls in construction and seasonal hirings in the apparel, metals, trade, and service industries. On a seasonally adjusted basis, the level of insured joblessness—1.5 million—was unchanged from May, but was well below the 1.7 million figure in June 1963.

Insured unemployment under the two Federal programs also moved down during June. The average weekly number of unemployed ex-servicemen (UCX program) dropped by 4,400 to 41,500, while the total of jobless Federal workers (UCFE program) was down by 1,800 to 24,900.

The rate of insured unemployment (not seasonally adjusted) was 3.1 percent in June, compared with 3.4 percent in May and 3.5 percent a year earlier. (On an adjusted basis, the rate remained at 3.6 percent over the month, after showing a steady decline from 5.8 percent in January.) As in May, Puerto Rico, Alaska, and California had the highest unadjusted rates in June—6.2, 5.3, and 5.0 percent, respectively. In addition to California, other large industrial States with rates well above the national average of 3.1 percent were Massachusetts, New Jersey, and New York. At the same time, Illinois, Indiana, Michigan, Ohio, and Texas had rates of 2.1 percent or less. In five States—Colorado, Iowa, Nebraska, South Dakota, and Virginia—the June rates were less than 1.5 percent.

Insured Unemployment Declines in Almost All States

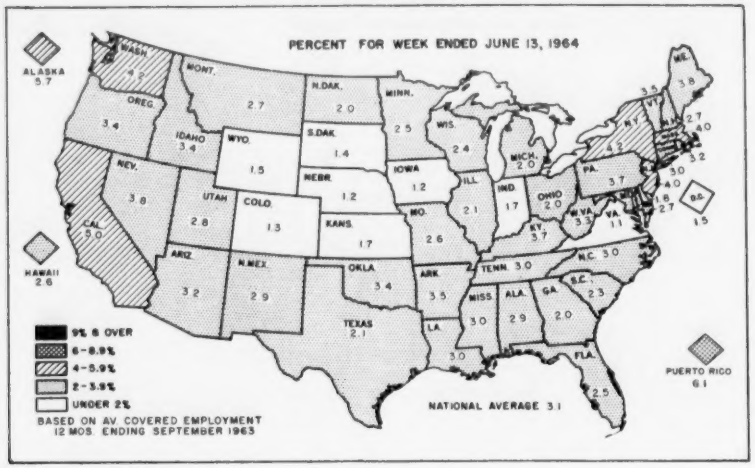
Except for Puerto Rico, Florida, and Wisconsin, all States registered declines in insured joblessness between May and June. Most of the reductions were moderate, however, amounting to more than 9,000 in only five States—California, Pennsylvania, New York, Ohio, and New Jersey.

California reported the largest over-the-month reduction—15,900—lowering the State's weekly average to 210,800. This drop, about seasonal, was due largely to employment gains in the trade and service industries. Slightly more than 50 percent of the job gains in these industries resulted from increased activity in the resort and tourist trade. Small declines in joblessness were reported in a wide variety of manufacturing industries, but a

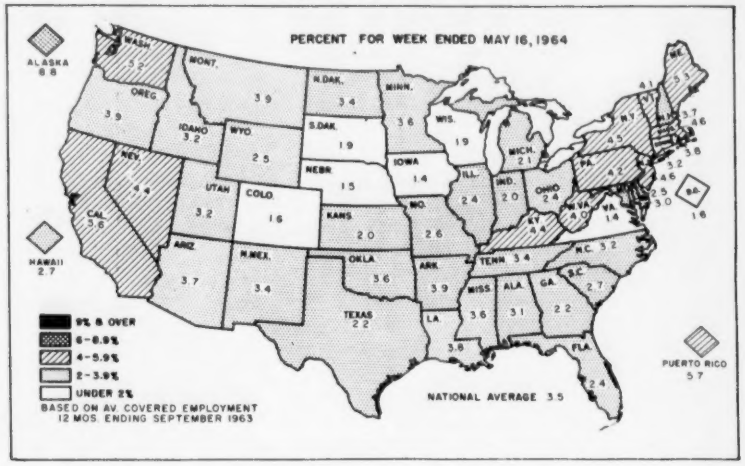
*Prepared in the Office of Program Reports and Research, Administration and Management Service, Bureau of Employment Security.

STATE INSURED UNEMPLOYMENT AS PERCENT OF AVERAGE COVERED EMPLOYMENT

LATEST MONTH



PREVIOUS MONTH



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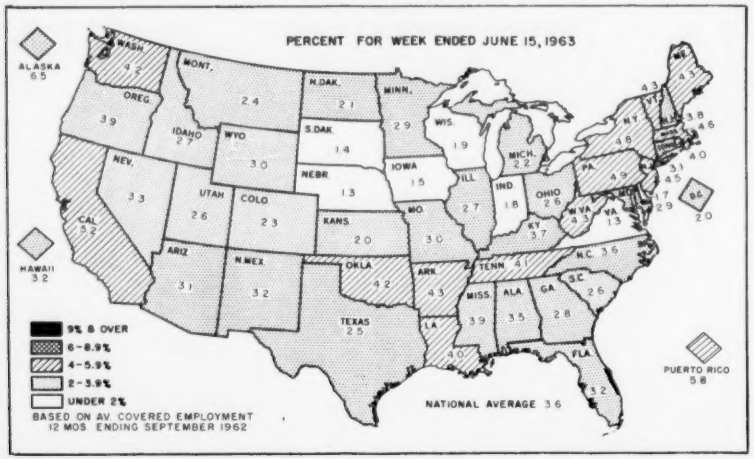
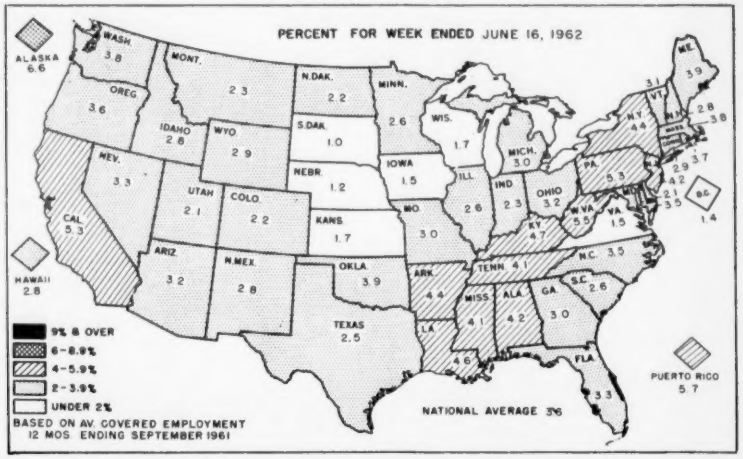


TWO YEARS AGO



Week ended	Initial claims [1]		Insured unemployment [1]	
	1964	1963	1964	1963
May 2	225, 900	256, 100	1, 597, 400	1, 746, 800
May 9	242, 700	246, 900	1, 534, 500	1, 679, 700
May 16	217, 100	231, 100	1, 464, 800	1, 615, 600
May 23	215, 600	243, 900	1, 406, 500	1, 549, 200
May 30	194, 100	222, 400	1, 352, 200	1, 578, 500
June 6	213, 500	248, 100	1, 339, 100	1, 525, 700
June 13	215, 800	241, 500	1, 309, 000	1, 487, 600
June 20	211, 600	229, 400	1, 283, 700	1, 459, 900
June 27	210, 200	240, 900	1, 250, 900	1, 397, 500
July 4	270, 100	331, 800	1, 307, 800	1, 524, 800
Weekley averages				
May	217, 800	238, 700	1, 447, 000	1, 624, 100
June	218, 000	240, 000	[2] 1, 296, 600	1, 467, 700

[1] Refers to State programs only. [2] Average through June 30, 1964.

slight increase was noted among workers from machinery plants. The level of insured unemployment in the State was virtually unchanged from a year earlier.

In *Pennsylvania*, insured unemployment averaged 106,300 per week—down by 15,300, or 13 percent, from May. This was twice the usual drop between May and June, and was attributed to a stepped-up pace in construction along with a pickup in the trade and service industries. Among factory workers, the only sizable employment gain was in fabricated metals plants. Compared with a year ago, insured joblessness was down by 35,200; substantial reductions occurred among workers from the construction, mining, trade, service, apparel, and nonelectrical machinery industries.

New York reported an over-the-month reduction in insured unemployment of 14,900, or 7 percent, to a weekly average of 209,000. This more than seasonal drop from May resulted primarily from less unemployment among metals workers, together with lower volumes among those from the textile, leather, miscellaneous manufacturing, construction, and trade industries. During the month there was a slight rise in the number of jobless chemical workers. From June a year earlier, insured joblessness dropped by 29,900, including a decline of 23,700 in claimants from the manufacturing sector—primarily among workers in apparel, electrical machinery, and fabricated metals establishments. Of a 6,200 jobless decline in nonmanufacturing industries, more than four-fifths occurred among workers from the trade and public utilities industries.

Insured unemployment volumes in *Ohio* and *New Jersey* moved down in June by some 9,600 and 9,200, respectively—about normal for these two States at this time of year. Of the total reduction in Ohio's weekly average, slightly more than one-half reflected less unemployment among workers from construction and trade, while over half of the drop in New Jersey's weekly average was due to employment gains in the apparel and construction industries. From June 1963 to June 1964, insured joblessness in Ohio dropped by 13,800, or 23 percent. Much of this decline was due to less unemployment in trade establishments; but there were also employment gains in the stone, clay, and glass, nonelectrical machinery, and ser-

Activity [1]	Number or amount, May 1964	Percent change from—		January–May cumulative (in thousands)	
		April 1964	May 1963	1964	1963
Initial claims [2]	907, 800	−16. 4	−15. 9	6, 159	6, 832
Weeks claimed [2]	6, 302, 600	−22. 0	−16. 5	43, 682	48, 702
Insured unemployment (weekly average) [2]	1, 447, 000	−17. 6	−10. 9	1, 982	2, 186
Beneficiaries (weekly average)	1, 374, 200	−19. 7	−7. 9	1, 787	1, 962
Benefits paid [3]	$201, 498, 300	−21. 9	−14. 6	$1, 347, 228	$1, 475, 106
Claimant exhaustions	130, 000	−13. 4	−13. 2	684	771

[1] Data relate to State programs only.
[2] Includes agent State claims taken by the Virgin Islands; also includes data under Puerto Rican sugarcane program.
[3] Monthly data represent gross amounts; cumulative data represent net amount.

vice industries. Insured unemployment in New Jersey was down by 6,900 from a year earlier. Nearly half of this reduction occurred among workers from apparel plants.

Illinois, with only a moderate over-the-month change in insured joblessness, had a sizable reduction from June a year ago. About one-half of an over-the-year decline of 14,900 reflected less joblessness among construction, trade, and fabricated metals workers.

Initial Claims Up Slightly

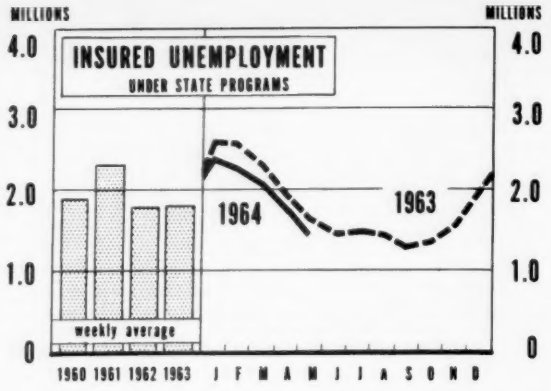
Initial claims under all regular programs increased in June. Under the State programs, initial claims were at a weekly average of 218,000—about 200 higher than in May, but 9 percent below a year ago. Jobless ex-servicemen under the UCX program filed an average of 5,585 initial claims per week in June—about 13 percent more than in May and 6 percent above the year-earlier figure. The number of initial claims filed by unemployed Federal workers under the UCFE program rose by 22 percent from May to a weekly average of 2,680. This was about 9 percent below the weekly volume in June 1963.

Claimant Exhaustions Continue To Decline

Some 119,100 persons exhausted their benefit rights under State programs in June. This was in line with seasonal expectations. The June volume was 8 percent below that of May, and 7 percent under the year-earlier figure. Exhaustees this month accounted for about 11 percent of the 1.1 million claimants who stopped filing for benefits under the State programs during June. Most of the remaining dropouts presumably had been recalled to work, had found new jobs, had left the labor market, or had been disqualified from receipt of benefits.

Benefit Payments Down Sharply in May

Benefits paid to claimants under all regular unemployment insurance programs (including the railroad program) amounted to $218.3 million in May—$62.6 million below the April amount and $36.3 million less than the year-earlier figure. Benefit payments this May included $201.5 million under State programs, $5.2 million under the railroad program, and a total of $11.6 million under the UCX and UCFE programs.



The average weekly benefit check for totally unemployed workers covered by State programs came to $35.50 in May—52 cents less than in April but 59 cents above the May 1963 amount. The highest average weekly benefits this May were disbursed in California ($43.44), Wisconsin ($42.41), and Colorado ($41.87). At the same time, four States—Maine, Mississippi, North Carolina, and West Virginia—and Puerto Rico reported weekly benefits averaging less than $25.

Some 9.2 percent of the May jobless covered under State unemployment insurance programs received benefits for partial unemployment, compared with 8 percent in April. The proportion of claimants receiving weekly checks for partial joblessness ranged from 2.7 percent in Puerto Rico to 21.4 percent in North Dakota. Within this range, the largest proportions of persons partially unemployed were in Massachusetts (15.9 percent), Georgia (16.4 percent), and Idaho (17.4 percent). The average weekly benefit amount for the partially unemployed was $20.54, compared with $20.78 in April and $20.26 in May 1963.

Selected Unemployment Insurance Statistics, State Programs, May 1964

May 1964

State	Initial claims received 1/ 2/	Weeks claimed 2/	Number of insured unemployed (weekly average) 3/	Number of beneficiaries (weekly average) 3/	Average weekly payments for total unemployment	Number of final payments 4/	Benefits paid 5/	12 months ending May 31, 1964 (in thousands)		Funds available May 31, 1964 7/ (in thousands)
								Benefits paid 6/	Collections and interest	
Total, 52 States	8/907,754	8/6,302,604	$1,447,020	1,347,243	$55.50	130,046	$201,498,881	$2,646,740	$3,233,867	$6,859,019
Alabama	9,275	71,787	16,649	14,325	25.37	1,751	1,493,498	21,648	41,339	76,409
Alaska	1,346	15,064	2,955	3,228	36.77	304	492,148	5,942	7,998	10/ 7,270
Arizona	6,412	41,872	9,683	8,235	31.76	578	1,086,215	12,622	14,895	66,267
Arkansas	5,943	51,560	11,832	9,570	26.80	1,053	1,027,043	12,626	13,488	28,729
California	142,179	965,682	226,744	206,217	43.44	20,108	4,504,7,148	2/ 4,846,345	520,738	674,067
Colorado	4,750	25,422	5,767	5,114	41.87	668	869,824	15,000	19,664	52,273
Connecticut	13,428	109,231	25,064	23,378	37.09	2,291	3,570,405	47,034	56,509	173,201
Delaware	1,360	13,877	3,139	3,340	39.61	437	536,883	7,587	10,764	17,026
Dist. of Col.	1,842	20,421	4,718	4,867	38.37	353	779,755	10,675	9,475	62,893
Florida	18,942	96,903	23,380	15,742	27.55	2,084	1,783,657	25,969	45,412	148,593
Georgia	11,111	78,250	18,158	14,586	28.10	2,250	1,574,023	21,522	36,439	163,085
Hawaii	2,061	19,738	4,627	4,342	39.54	267	685,654	9,287	9,967	17,079
Idaho	2,985	17,870	4,164	3,674	38.53	813	556,107	2/ 8,692	9,226	25,557
Illinois	36,978	270,538	62,159	59,299	37.07	7,694	8,997,628	2/ 13,216,4	181,639	445,676
Indiana	16,575	103,116	22,168	21,310	30.91	3,172	2,689,094	37,006	48,966	151,871
Iowa	3,366	29,359	6,505	6,048	28.93	928	691,733	10,811	14,412	107,329
Kansas	3,792	30,141	6,876	7,080	36.85	895	1,070,697	16,493	15,971	59,804
Kentucky	8,019	87,089	20,470	17,481	33.05	1,888	2,287,926	25,550	31,131	105,253
Louisiana	11,083	86,735	19,928	17,251	30.23	2,115	2,113,097	27,082	35,411	106,431
Maine	4,837	43,012	9,667	8,751	22.18	2	785,673	10,157	12,697	27,127
Maryland	11,232	106,650	22,672	20,847	32.00	1,324	2,705,529	36,097	68,693	135,273
Massachusetts	39,746	303,849	68,952	66,896	39.09	6,418	10,113,316	138,510	133,630	183,766
Michigan	25,764	175,123	37,539	34,817	35.50	4,521	5,071,259	81,498	193,655	10/ 558,005
Minnesota	6,951	121,980	24,902	24,867	29.33	2,054	2,985,364	38,764	30,382	21,165
Mississippi	7,093	46,304	10,394	9,736	24.24	1,288	962,839	12,676	20,039	42,638
Missouri	17,780	112,262	25,117	20,950	32.31	2,122	2,697,642	39,151	49,671	209,081
Montana	3,116	22,905	4,308	4,797	31.17	593	634,133	7,275	5,905	19,004
Nebraska	1,658	18,491	3,614	4,296	32.93	693	580,036	9,217	10,326	39,304
Nevada	3,478	21,067	4,874	4,644	39.29	444	751,022	8,792	13,314	27,220
New Hampshire	4,006	25,249	5,766	4,530	30.10	2	541,674	7,956	7,950	24,113
New Jersey	43,130	313,020	72,242	72,792	39.59	8,570	11,674,882	160,455	143,188	286,717
New Mexico	3,356	24,707	5,388	5,948	29.23	371	712,866	8,211	7,625	34,481
New York	172,013	944,852	223,886	218,205	38.41	13,027	33,283,323	428,110	506,293	1,177,120
North Carolina	22,656	143,105	31,816	30,854	22.69	2,726	2,833,821	37,124	50,167	209,293
North Dakota	591	14,167	2,421	2,797	37.88	326	440,343	5,637	5,298	5,616
Ohio	33,819	248,849	56,429	50,540	38.59	4,604	7,997,380	129,284	178,473	158,363
Oklahoma	6,828	58,712	13,697	11,872	26.29	1,324	1,278,299	16,393	21,007	41,952
Oregon	10,303	74,348	16,858	15,530	33.53	1,112	2,136,158	24,846	40,499	74,356
Pennsylvania	75,315	525,898	121,550	120,887	32.06	6,937	15,253,629	213,358	263,855	10/ 778,536
Puerto Rico	8/8,080	8/62,163	8/14,787	8,178	11.75	1,868	485,768	2/ 1,257	21,429	42,966
Rhode Island	7,680	39,416	8,952	8,178	30.83	817	1,007,553	16,055	20,886	82,181
South Carolina	7,066	54,030	12,213	10,915	27.04	1,503	1,209,526	16,021	2,954	14,204
South Dakota	252	6,840	1,505	1,910	30.31	365	233,408	3,553	4,343	76,652
Tennessee	11,008	105,928	24,058	21,063	27.05	2,655	2,318,081	29,927	59,544	230,865
Texas	23,443	182,236	41,096	35,738	29.08	5,424	4,266,935	61,443		
Utah	3,490	26,284	6,251	5,123	36.27	603	763,226	11,260	11,270	37,749
Vermont	1,465	14,352	3,141	3,452	33.17	263	480,811	2/ 6,579	4,300	6,001
Virginia	6,293	45,296	10,315	9,090	26.91	1,556	1,007,499	14,023	29,572	127,161
Washington	20,972	139,663	32,075	31,613	33.94	4,028	4,429,011	63,115	59,919	197,549
West Virginia	5,181	56,259	12,892	11,745	23.94	792	1,156,188	15,865	24,591	57,172
Wisconsin	16,662	84,014	20,880	18,972	42.41	11/ 1,950	3,261,098	46,680	48,137	191,467
Wyoming	653	6,733	1,585	1,424	38.60	115	218,474	3,396	6,098	5,986

1/ Excludes transitional claims.
2/ Total includes claims taken as agent State by the Virgin Islands.
3/ Weekly data are adjusted for split weeks in the month on the basis of 5-day work week.
4/ A final payment is the payment for the last week of compensable unemployment in a benefit year, and indicates the exhaustion of benefit rights by a claimant for that benefit year. Because of the time lapse between the actual week in which the unemployment occurs and the date on which final payment is made the monthly total includes some claimants who exhausted their rights in the preceding month but received their final payment in the reported month, and excludes some claimants who exhausted their rights in the reported month but will not receive their final payments until the succeeding month. Workers who exhaust their rights may be entitled to additional benefits when the following benefit year begins. The number of exhaustions is not indicative of the number who are still unemployed as some will have obtained employment and others may have withdrawn from the labor force.
5/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. Includes $8,405,871 in payments under extended duration provisions of State laws in three States: California, $8,353,857; Puerto Rico, $24,617; and Vermont, $27,397.
6/ Adjusted for voided benefit checks and transfers under interstate combined-wage plan.
7/ Includes amount credited to States' accounts in the unemployment trust fund, less withdrawals by the States, under the provisions of the Employment Security Administrative Financing Act of 1954.
8/ Includes data under the program for Puerto Rican sugarcane workers.
9/ Includes payments made under State temporary extended benefit provisions.
10/ Funds available reflect an advance from Federal account in Unemployment Insurance Trust Fund to: Alaska, $2,630,000 in January 1957, $2,635,000 in February 1958, $3,000,000 in July 1958, and $500,000 in January 1960; Michigan $113,000,000 in September 1958; Pennsylvania $96,440,000 in April 1959, $1,504,000 in May 1960, $4,056,000 in July 1960, $7,400,000 in March 1961, $1,800,000 in May 1961, and $800,000 in August 1961.
11/ Represents data on a "per employer" basis and is not strictly comparable.

Selected Unemployment Insurance Statistics, Federal Programs,[1] May 1964

May 1964

State	UCFE					UCX				
	Initial claims received [2]	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid [3]	Average weekly payments for all unemployment [4]	Initial claims received [2]	Weeks claimed	Number of beneficiaries (weekly average)	Benefits paid [3]	Average weekly payments for all unemployment [4]
Total, 53 States	9,255	116,090	27,294	$4,558,366	$36.59	20,489	202,467	47,605	$7,028,706	$34.57
Alabama	229	2,003	447	53,489	28.48	434	4,363	980	122,716	29.83
Alaska	92	2,490	621	100,294	38.47	27	465	111	15,918	34.01
Arizona	187	1,695	437	56,885	31.00	299	1,795	473	64,512	32.50
Arkansas	74	1,371	198	22,560	27.15	179	1,677	366	46,646	30.35
California	1,451	20,683	4,832	1,331,142	47.74	3,012	29,187	6,926	1,291,077	40.36
Colorado	59	642	154	24,408	37.78	180	1,601	369	59,072	38.08
Connecticut	48	514	98	17,853	43.44	184	1,119	223	32,222	34.39
Delaware	8	102	18	3,123	42.20	35	346	73	12,192	39.97
Dist. of Col.	195	3,140	1,061	191,822	43.05	112	842	216	33,628	37.12
Florida	179	1,542	225	28,122	29.82	630	4,603	982	128,941	31.27
Georgia	196	2,127	443	59,734	32.13	322	2,743	600	83,111	32.95
Hawaii	78	1,211	337	60,305	42.56	67	601	171	29,444	41.01
Idaho	28	419	119	18,330	36.65	90	812	204	29,663	34.61
Illinois	383	3,853	884	126,710	34.14	694	4,709	1,086	156,766	34.36
Indiana	96	700	152	18,960	29.63	408	2,394	512	67,511	31.39
Iowa	30	243	56	6,514	27.49	126	888	226	28,008	29.51
Kansas	56	588	145	23,571	38.58	165	1,247	299	47,606	37.96
Kentucky	153	2,703	672	99,611	35.30	397	5,069	1,211	174,129	34.24
Louisiana	143	1,873	338	44,576	31.41	335	3,839	856	120,984	33.64
Maine	31	270	123	10,767	20.91	80	860	183	23,831	30.95
Maryland	161	1,273	228	31,553	33.01	297	2,159	468	65,788	33.50
Massachusetts	246	3,940	1,062	200,072	44.85	451	4,948	1,383	220,239	37.91
Michigan	222	2,206	490	75,224	36.57	943	7,423	1,650	214,088	30.90
Minnesota	115	2,131	550	60,773	26.31	540	4,979	1,210	175,911	34.61
Mississippi	151	2,163	572	59,585	24.81	185	1,105	250	29,521	28.12
Missouri	235	2,350	490	68,479	33.27	384	3,506	809	112,881	33.24
Montana	55	1,748	385	49,815	30.81	78	873	197	26,348	31.82
Nebraska	53	486	118	16,919	34.11	67	558	144	20,211	33.46
Nevada	42	314	78	12,839	39.25	81	452	115	18,568	38.52
New Hampshire	40	255	96	15,568	37.95	48	529	135	22,522	39.79
New Jersey	299	2,961	568	104,813	43.97	601	5,807	1,307	217,362	39.59
New Mexico	185	2,736	683	81,518	28.40	206	1,727	435	57,910	31.73
New York	803	8,320	1,688	274,823	38.75	1,540	13,644	3,029	429,132	33.73
North Carolina	157	1,861	415	44,546	25.41	362	3,268	789	106,364	32.11
North Dakota	13	660	133	17,579	31.56	45	1,111	230	33,278	34.45
Ohio	219	1,989	547	81,142	35.31	942	10,598	2,167	310,575	34.13
Oklahoma	118	2,208	540	57,800	25.49	202	3,079	725	89,107	29.27
Oregon	118	1,351	343	48,897	33.98	281	2,168	504	79,861	37.72
Pennsylvania	594	7,192	1,679	220,004	31.20	1,549	20,350	4,805	678,041	33.60
Puerto Rico	52	1,113	288	38,478	31.77	181	7,436	2,185	288,139	31.39
Rhode Island	38	533	121	17,455	34.29	90	863	210	28,480	32.33
South Carolina	144	1,066	235	30,686	31.06	186	1,679	383	53,607	33.32
South Dakota	30	535	159	19,600	29.34	30	402	124	16,427	31.53
Tennessee	207	3,610	957	132,837	33.19	393	5,239	1,190	154,055	30.82
Texas	408	5,261	1,289	174,705	32.28	978	9,082	2,277	325,019	33.98
Utah	118	1,235	298	45,083	35.98	105	1,088	237	32,996	33.20
Vermont	7	150	32	6,064	38.11	37	363	100	14,929	34.44
Virginia	131	1,103	267	35,724	31.84	273	2,188	448	60,694	32.25
Virgin Islands	2	4	0	0	0	3	5	1	134	33.50
Washington	438	4,907	1,169	177,787	36.22	1,134	7,739	1,829	281,798	36.69
West Virginia	52	683	160	14,165	21.02	385	5,104	1,215	149,898	29.39
Wisconsin	90	829	225	33,931	35.83	300	3,556	913	136,133	35.50
Wyoming	16	248	73	11,526	37.42	16	279	74	10,713	34.34

1/ The programs for Federal civilian employees (UCFE) and for ex-servicemen (UCX), established under Title XV of the Social Security Act, became effective January 1, 1955, and October 27, 1958, respectively. Data exclude information on claims filed jointly with State unemployment insurance programs.

2/ Includes transitional claims.

3/ Unadjusted for voided benefit checks and transfers under interstate combined-wage plan. UCFE includes $363,337 in payments under extended duration provisions of State laws in two States; California, $362,342; and Vermont, $995; UCX includes $117,305 in payments under extended duration provisions of State laws in two States; California, $116,909; and Vermont, $396.

4/ Includes data for total, part-total, and partial unemployment. Separate data for total unemployment are not available.

Income-Maintenance Program Operations

All Programs

	1964		1963	
	May	April	May	April
Total Public Income-Maintenance Payments (millions)	$2,936	$3,014	$2,865	$2,880
Old-age, survivors, and disability insurance	1,349	1,354	1,290	1,284
Railroad and public employee retirement	1/ 432	1/ 429	1/ 415	1/ 395
Unemployment insurance, temporary disability insurance, workmen's compensation, training benefits (ARA and MDTA)	2/ 400	2/ 466	2/ 432	2/ 475
Veterans' compensation and pension programs	332	338	328	326
Public assistance	423	428	399	399
Old-Age, Survivors, and Disability Insurance				
Total beneficiaries (thousands)	19,414	19,374	18,510	18,431
Retired workers	10,468	10,450	9,991	9,951
Survivors and dependents	8,092	8,075	7,739	7,705
Disabled workers	853	850	781	774
Total monthly benefits (millions)	3/ $1,293	3/ $1,290	3/ $1,220	3/ $1,214
Retired workers	809	807	766	762
Survivors and dependents	406	405	384	382
Disabled workers	77	77	71	70
Public Assistance				
Total recipients (thousands)	7,965	8,062	7,719	7,825
Federally aided programs	7,215	7,217	6,865	6,889
Aid to families with dependent children	3,184	3,188	2,979	2,996
Total recipients	4,254	4,262	3,976	4,004
Old-age assistance	2,185	2,187	2,203	2,211
Other federally aided programs	776	768	686	674
General assistance: Cases	337	360	349	369
Recipients	750	845	854	936
Total payments (millions)	4/ $423	4/ $428	4/ $399	4/ $399
Federally aided programs	392	394	367	365
General assistance	22	24	23	25

Operations Under Area Redevelopment and Manpower Development and Training Acts

	Total		ARA		MDTA	
	June 1964	May 1964	June 1964	May 1964	June 1964	May 1964
Total paid trainees	22,801	23,410	2,318	2,504	20,483	20,906
Youths	3,328	3,295	NA	NA	3,328	3,295
Total net benefits	$2,762,268	$2,841,838	$227,927	$217,369	$2,534,341	$2,624,469
Training allowances	2,103,651	2,112,500	227,927	217,369	1,875,724	1,895,131
Youth allowances	177,759	228,188	NA	NA	177,759	228,188
Subsistence allowances	352,425	381,993	NA	NA	352,425	381,993
Transportation allowances	128,433	119,157	NA	NA	128,433	119,157

Temporary Disability Insurance Activities Under State and Railroad Programs

	First claims received		Weeks compensated		Benefits paid		Benefits paid	
	June 1964	May 1964	June 1964	May 1964	June 1964	May 1964	June 1963	May 1963
California								
State plan								
Basic benefits	46,709	47,047	294,854	273,065	$15,529,858	$14,363,284	$13,323,876	$14,477,110
Additional hospital benefits	5/ 29,502	5/ 29,781	6/ 211,938	6/ 211,641	2,543,256	2,539,692	2,374,836	2,599,224
Private plan	3,093	2,890	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
New Jersey								
State plan	8/ 7,484	7,283	8/ 52,971	49,496	8/ 2,007,458	1,872,885	1,826,732	2,340,875
Private plan	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
New York	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)	(7/)
Rhode Island	2,833	2,836	26,744	25,430	902,077	834,669	793,922	931,672
Railroad								
Sickness	17,375	8,717	9/ 90,950	10/ 82,308	2,933,942	2,350,569	2,542,170	3,007,785
Maternity	182	178	9/ 2,436	10/ 2,262	165,684	158,418	165,040	175,679

1/ Data not comparable with earlier reports. Effective January 1964, Federal noncontributory and State and local retirement systems previously included with the data for unemployment insurance, temporary disability insurance, and workmen's compensation are included with railroad and public employees retirement systems (revised figures also shown for April and May 1963).

2/ Data for temporary disability insurance and workmen's compensation include estimated payments made by private insurers and self-insurers in accordance with law.

3/ Current payment status, excludes lump sum and retroactive payments and adjustments for over and under payments.

4/ Total payments exceeds sum of items because of inclusion of vendor payments, not shown in detail.

5/ Represents the number of payments made.

6/ Days for which additional hospital benefits were paid.

7/ Data not available.

8/ Estimated.

9/ Estimated from data "benefit periods" compensated which number 45,475 for sickness and 1,218 for maternity.

10/ Estimated from data "benefit periods" compensated which number 41,154 for sickness and 1,131 for maternity.

NA--Not applicable.

ERRATUM: In the June 1964 issue, figure for total paid youths for May 1964 should be 3,295 instead of 5,799; ARA paid youths for May 1964 is NA instead of 2,504.

Significant Dates in Federal Unemployment Compensation Programs

The Social Security Act, approved August 14, 1935, provided in titles II and IX of the act the basic framework for the Federal-State unemployment insurance system.

1938 Railroad Unemployment Insurance Act, approved June 25, 1938, removed railroad workers from coverage under the Federal-State system and set up a special system of unemployment insurance for these workers. Administration of the program was transferred in July 1939 to the newly established Railroad Retirement Board.

1944 Servicemen's Readjustment Act of 1944 (GI Bill of Rights) (SRA), approved June 22, 1944, included provision under title V of the act for "readjustment allowances"—Federal benefits for unemployed veterans on a uniform formula, paid by State employment security agencies as agents of the Federal Government. Payments began in September 1944; program expired in 1950.

1946 Social Security Act amended with introduction of title XIII, Reconversion Unemployment Benefits for Seamen, approved August 10, 1946, which provided temporary benefits for seamen employed as agents of the War Shipping Administration; benefits financed by Federal funds and paid by State employment security agencies under their own benefit formulas as if the Federal maritime employment had been service under State law. Program inaugurated in July 1946; expired June 30, 1950.

1952 Veterans' Readjustment Assistance Act (UCV), approved July 16, 1952. Title IV of the act provided unemployment benefits for veterans with military service between June 27, 1950 and January 31, 1955 (the Korean period) under uniform Federal benefit formula but subject to State availability and disqualification provisions. Payments began October 1952; program expired after January 31, 1960.

1955 Social Security Act amended with introduction of title XV, approved September 1, 1954. Sections 1501–1510 of title XV, Unemployment Compensation for Federal Employees (UCFE), extended protection to Federal civilian employees who became unemployed after January 1, 1955. Benefits, financed from Federal funds, are paid by State agencies under their own benefit formulas as if the Federal employment had been service under State law.

1958 Temporary Unemployment Compensation Act of 1958 (TUC), approved June 4, 1958, provided that, in States choosing to participate in the program, additional unemployment benefits could be paid on a temporary basis to jobless workers who exhausted their regular unemployment insurance after June 30, 1957, or some later date selected by the participating State. Effective June 19, 1958; expired June 30, 1959.

1958 Social Security Act, title XV, amended with introduction of Section 1511, Ex-Servicemen's Unemployment Act of 1958 (UCX), approved October 27, 1958, to provide benefits to a person who served actively in the Armed Forces under the conditions specified in the act, provided he meets the eligibility requirements of the unemployment insurance law of the State where he files a benefit claim.

1961 Temporary Extended Unemployment Compensation Act of 1961 (TEUC), approved March 24, 1961, initiated an emergency measure to provide additional weeks of unemployment benefits to an estimated 3 million unemployed workers who had used up their State benefit rights after June 30, 1960, for weeks of unemployment beginning on and after April 8, 1961. No new claims could be filed after March 31, 1962; the program expired on June 30, 1962.

Federal Training Allowance Programs

1961 Area Redevelopment Act of 1961 (ARA), approved on May 1, 1961. Primary purpose of the law is to "help areas of substantial and persistent unemployment to take effective steps in planning and financing their economic development." Section 16 of the act deals with the worker retraining program; section 17 specifically concerns retraining payments.

1962 Manpower Development and Training Act of 1962 (MDTA), approved on March 15, 1962. Section 203 of the act specifically concerns the payment of training, subsistence, and transportation allowances to unemployed persons selected for training under programs operated pursuant to the provisions of the act.

1962 Trade Expansion Act of 1962, approved on October 11, 1962, initiated a program of Trade Readjustment Allowances and Relocation Allowances for workers adversely affected by trade agreements, permitted under the act, between the United States and other nations.

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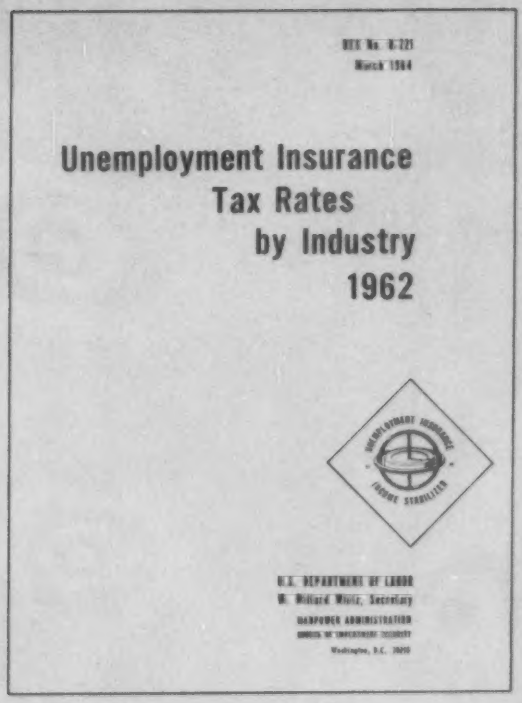

→ *Unemployment Insurance Tax Rates, by Industry, 1962*, contains useful indicators of variations in the cost of unemployment insurance to major types of industry.

→ Detailed data—shown separately for each of the 50 States, the District of Columbia, and Puerto Rico—include:

The taxable wage base and employer tax rates, and statutory limits and minimum and maximum rates of tax schedules in effect during 1962;

Average employer contribution rates, by major industry classification, as a percent of taxable wages and of total wages;

Covered employment and wages, taxable wages (dollar volume and as a percent of total wages), and average tax rate as a percent of taxable wages and of total wages, for the 7 major industry divisions and 21 subdivisions of the manufacturing industry.

→ Single copies of *Unemployment Insurance Tax Rates, by Industry, 1962* (BES No. U–221) may be obtained without cost, as long as supplies permit, by writing to Unemployment Insurance Service, Bureau of Employment Security, U.S. Department of Labor, Washington, D.C., 20210.

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